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Barber Officer of Sterling Nat'l Bank

Henry G. Barber

Sterling National Bank and Trust Company of New York announces the election of Henry G. Barber as a vice-president of the bank. Mr. Barber, who was formerly executive vice president of the National Bronx Bank, is president of the Building Industry League, Inc., a governor of the Bronx Real Estate Board, and a director of the Bronx Chamber of Commerce.

In This Issue

For information pertinent to dealer activities in States of Connecticut, Michigan and Missouri see pages 690 and 691.

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Predicts Sugar Rationing For Industrial Users Through 1945

President Of Lamborn & Company, Inc. Looks For A Continued Post-War World-Wide Shortage Due To War Havoc In European And Oriental Producing Areas—Urges Increased Sugar Prices As A Remedy

Ody H. Lamborn

Ody H. Lamborn, President of Lamborn & Company, Inc., Sugar Brokers, commenting on the probable duration of sugar rationing in a letter dated July 28, 1944, states:

"We think we can say with a reasonable degree of certainty that the rationing of sugar to industrial users will continue through the year of 1945, whether the war ends this year or not. Indeed, even if the war should end this year, we believe there is a strong likelihood that rationing of sugar to industrial users will be maintained through a substantial part of 1946, certainly during the first six months — or say, for approximately the next two years.

"As we see it, it makes no difference whether the war in Europe ends tonight or any time in the next six months—the conditions surrounding the sugar industry will require the rationing of sugar for the period indicated. Of course, the maintenance of rationing after the war does not mean necessarily that industrial users would be held to 70% or 80% sugar allotments. Depending upon the supply situation, allot-

(Continued on page 692)

The Probable Price Level

By DR. CHARLES F. ROOS*

President Of Econometric Institute, Inc. Examines The Price Making Process, Pointing Out The Interplay Of Supply, Demand And Monetary Factors—Holds "Statistical Analysis Indicates That The Most Significant Price Determinant Proves To Be The Domestic Purchasing Power"—Predicts Post-War Price Controls Will Be Much Less Effective, And Unless Higher Prices Are Permitted On Some Goods, Their Production Will Cease

Dr. Charles F. Roos

In popular discussions monetary inflation is usually confused with or made a part of price inflation. While monetary inflation and price inflation are related, the connection is not nearly so close as popular discussion would indicate. It is possible to have monetary inflation without price inflation. For instance, in 1934 the dollar was devalued and we had monetary inflation without corresponding price inflation. During the early part of 1940 we had price deflation coupled with a form of monetary inflation—inflation of bank deposits. During the early part of 1937 we had price inflation and bank deposit deflation.

Whenever demand exceeds current supply, price usually increases. The price increase usually tends to decrease the demand and increase the supply until a new balance is struck. So long as a price advance calls forth increased total production, it performs a useful social function. But when total production cannot be

---

*A talk given by Dr. Roos on Aug. 9, 1944, before the National Retail Dry Goods Association at Absecon, N. J.

(Continued on page 700)

Economic Stabilization In The Post-War Era

By IVAN WRIGHT
Professor of Economics, Brooklyn College

Dr. Ivan Wright

Economic relationships finally right themselves and balance out but without any very definite pattern of timing or justice about the conflicts which arise. It is well known that if the supply of some article exceeds the demand that the surplus will pull down the price, if left to a free competitive market, and the less efficient producers who can not stand loss will be driven out of business. In foreign trade the country that exports more than it imports must sooner or later receive payment in gold and thus expand its credit base and increase its prices or become an investor in foreign securities. The increase in price will finally expell the eager buyers and imports and exports will again stabilize at an equilibrium. Too much money and credit, in time, will cause a rise in prices, and too little money and credit relative to the volume of work to be done with money and credit will bring a decline in prices. These equilibrium adjustments are called inflation and deflation. In the long run, maladjustments of prices, production debts, taxes and all other contributing factors to value relations adjust themselves and stability is

(Continued on page 689)

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Rep. Chas. S. Dewey's Views On International Monetary Fund

Sees Possible Benefits To United States Economy Outweighed By Risks Involved—Predicts That Under Plan Scarcity Of American Dollars Will Lead To Fund Liquidating With Heavy Loss To U. S.—Urges That As A Substitute For International Fund Congress Enlarge Operations Of The Export-Import Bank "As Our Method Of Participation In World Reconstruction"

Rep. Chas. S. Dewey

Congressman Charles S. Dewey, Republican member from Illinois, who attended the International Monetary and Financial Conference at Bretton Woods, N. H., in an address prepared for delivery in the House of Representatives, gives his views on the plan adopted by the Conference and making suggestions for other methods of post-war world reconstruction and improvement of foreign trade. Because of Congressman Dewey's activities in presenting an independent plan for post-war rehabilitation, represented in House Joint Resolution 226, introduced on February 1st (text of Resolution appeared in "Chronicle" of Feb. 10, 1944), we present his remarks below in their entirety:

The 78th Congress, which is approaching that time when it will adjourn sine die, may look with some satisfaction upon its achievments in preparation for the end of the war in Europe which will bring with it problems of such vast magnitude that they are scarcely conceivable.

The soldier's GI Bill of Rights has been passed, the Termination of Contract Bill, providing for the speedy conversion from war to peacetime production by industry, has been enacted into law, and a bill for the disposition of surplus government inventories and property of all sorts, on a basis that will not interfere with our future economy is in committee.

One item, however, has not been considered to any extent in the halls of Congress, i. e., the subject pertaining to America's participation in post-war monetary collaboration with other nations, regarding which there

(Continued on page 702)

H. W. Wilson To Be Union Securities V.-P.

H. Warren Wilson will become associated with Union Securities Corporation, 65 Broadway, New York City, as vice-president, on Aug. 21. Mr. Wilson, who has been in the Street for about 25 years, was manager of general sales at Smith, Barney & Co. He began his career with Dillon, Read & Co., joining E. B. Smith & Co. in 1927, which firm was later merged with C. D. Barney & Co. to form Smith, Barney & Co.

How Will Germany's Defeat Affect The Market?

Germany's defeat appears on the horizon. Winston Churchill is by nature and experience a conservative and a realist, not given to rash expression of sanguine hopes, over-confidence or self-delusion through unfounded enthusiasm. He has never hesitated to give the British public bad news in the same measure as good news. His report on the war to the House of Commons on August 2, therefore, was significant in his statement: "I no longer feel bound to deny that victory may come perhaps soon." This, coupled with Foreign Secretary Anthony Eden's more specific mention of September as a possible ending of German resistance, together with the consensus of military and other Washington opinion, indicates that we may see the end of the war with Germany this Fall.

L. H. Bradshaw
Editor
"Investment Timing"

In fact, in view of the rapid advances now being made by the Allied forces on three fronts, together with multiplying signs of German internal disintegration, the end appears almost a certainty by the end of the year, and it could occur at any time.

When the news of this happy event comes, what impact is it likely to have on the stock market?

Technical Position Important

While the long-term, fundamental effect of peace undoubtedly will be bullish, we think that the impact of the news on stock prices will depend largely on two factors: first and most important, the technical position of the market, and, secondly, the extent of the progress that has then been made in reconversion from war to peacetime production.

As time goes by, the market shows progressively increasing ability to absorb bearish impulses that might develop from peace news. A year ago the news of Mussolini's abdication and Italy's quitting as an ally of the Nazis was followed by a substantial and prolonged reaction. The recent Allied victories, together with the discord in the German ranks evidenced by the abortive plot to assassinate Hitler, have been followed by a much milder reaction, which proved short-lived in comparison. Both reactions followed sustained advances, but liquidation this time appears to have dried up in a few weeks, against several months on the former occasion. Added to this evidence of a stronger internal market position is the indication that industrial reconversion has now begun to some extent, while a year ago no preparations for peace were in sight.

Result of the Invasion

The news of the invasion was awaited for many weeks with considerable apprehension, while the market remained in a narrow trading range. Yet when the news finally came on June 6 the market reacted barely a point in the Dow-Jones Industrial Average, and closed at 142.21, higher than

(Continued on page 693)

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Outlook For Employment

By A. F. HINRICHS *

Acting Commissioner of Labor Statistics

Government Official Estimates Post-War Full Employment Will Require Labor Demand Large Enough For From 53 To 55 Million Jobs, Or In Excess Of Present Volume—Predicts Serious Unemployment In Some Centers But Total Will Not Likely Exceed 5 Million—Holds Nation-Wide Unemployment May Be Avoided By Government Expenditures And Large Consumer Demand

A. F. Hinrichs

Our job in the post-war period is to make sure that everyone who wants a job is able to find one. What does this mean? It means in the first place that we grant that the decision to seek work is a personal one; that one of the essential freedoms is the freedom of the individual to make up his or her mind that he wants to work. It means as a corollary that we should not attempt to build up segregated groups of those who "need" jobs and those who do not. It means in the second place that the measure of our success will be the length of time it takes a new worker, a discharged soldier or a laid-off war worker to find a job. If job seekers are able to find work quickly—generally within a few days or weeks; at worst, well within the period for which unemployment compensation is provided—we shall have achieved our goal. If they cannot, to that extent we shall have failed. But to achieve this goal, wanting work implies

(Continued on page 697)

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*An address delivered by Mr. Hinrichs before the Post-war Conference of the National Retail Dry Goods Association at Absecon, N. J., Aug. 9, 1944.

"5%" Markup Decision Expected In September

PHILADELPHIA, Aug. 16—The attorneys for the Securities Dealers Committee, Messrs. Edward A. Kole and Abraham M. Metz, today visited by appointment the office of the Securities and Exchange Commission and conferred with Louis Loss, attorney for the Trading Division, and Joseph Keenan, in an effort to ascertain how soon the Commission may be expected to render a decision on the pending 5% spread limitation controversy.

Messrs. Loss and Keenan were pinch-hitting for James E. Treanor, Secretary to the Commission, who was compelled to break his appointment with Messrs. Kole and Metz by reason of the illness of his son.

Commissioners Healy and Purcell are now vacationing and not expected to return until about Labor Day. Therefore, no decision is likely to come down until early in September, or shortly thereafter.

Over-the-Counter Quotations

During the course of the conference the attorneys for the Securities Dealers Committee indicated that they were making a survey of market conditions as affected by dealings in over-the-counter securities.

They asked permission to examine certain data on file with the Commission, dealing with over-the-counter quotations.

The representatives of the Commission promised to take this matter up with Mr. Treanor and to have an answer shortly.

Inquiry was also made into whether any application was pending for the approval of any association under the Maloney Act in competition with the NASD. The answer was "No."

Superior Rights For Inferiors

By DONALD R. RICHBERG*

Eminent Attorney Points Out Evils Of Trend To Regard Freedom, Equality And Justice Concepts As (1) Freedom Without Responsibility—(2) Equality Regardless Of Fact—(3) Justice As Absolution For Sin. Considers Government's Aid To Organized Labor By Increasing Its Power Without Increasing Its Responsibility A Major Blunder In Public Policy. Looks For Return Of Old Ideas By Majority Of American People.

Donald R. Richberg

A few streams of unsound thinking have risen and flowed together in recent years to make a great, swollen river of bad ideas that threatens to flood and devastate this land of ours. Out of the original concepts of freedom, equality, and justice have developed demands for (1) freedom without responsibility, (2) equality regardless of fact, and (3) justice as absolution for sin. These demands coalesce in a cult which has many devotees and which can be fairly described as the cult of those claiming **superior rights for inferiors.**

This statement may arouse antagonism—by its apparent assumption that some persons are superior to others, and that apparently the speaker regards himself as a superior person! This sounds like Nazi philosophy. The fact is that the Nazi—or Fascist—claims of superiority and the rights of a master race have produced a strong reactionary swing

(Continued on page 694)

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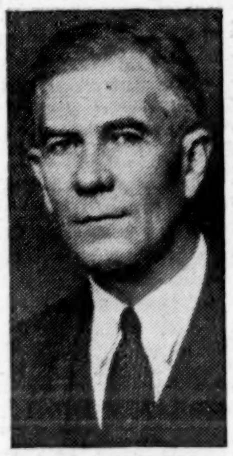
*Mr. Richberg is a partner in the Washington, D. C., law firm of Davies, Richberg, Beebe, Busick & Richardson.

Advocates U. S. Participation In World Organizations

Cong. Robertson Warns Against Isolationist Policy

Editor, Commercial & Financial Chronicle:



A. W. Robertson

I have had no opportunity to study the final act of the Bretton Woods Monetary and Financial Conference and am, therefore, not in a position to comment on the details of the plans agreed upon by the participating nations. At this time, therefore, I can merely say that I am 100% in accord with the objective of a stabilized international exchange. Since we own so large a part of the world's gold supply and since gold in the past has proven to be the most satisfactory medium of international exchange, I would naturally like to see the currencies of the major trading nations of the world geared to gold.

Following World War No. 1 our Government made large loans to our Allies to assist the post-war rehabilitation program, the total of which far exceeds the proposed contribution of working capital on our part to the international stabilization fund and also to an international bank should one be established. In addition to that our international bankers, in an effort to supply the world with dollars and to stimulate the post-war export of American products, sold to small banks and private

(Continued on page 688)

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Will Bretton Woods Agreement Revive The Gold Standard?

By A. M. SAKOLSKI, City College, New York City

"At last, we are rid of the Gold Standard", exclaimed a British economist, when on September 21, 1931 the Bank of England was ordered by the British Government to cease the redemption of its notes in gold. This remark, in essence was uttered by other economists and monetary theorists throughout the civilized world. And this, despite the fact that for more than a quarter of a century preceding World War I, the general adherence to the gold standard had created an international exchange stabilization never before experienced among trading nations. This period was indeed the "golden age" of international trade relations. The supply of monetary gold was fairly well distributed throughout the world in accordance with commercial and financial needs. When, occasionally, there developed a disequilibrium it was soon corrected by international loans or trade readjustments. The classic Ricardian theory that the distribution and flow of gold among the nations tends toward a common level seemed to operate. The system of central banking, with gold reserves maintained as a backing for currency note issues, had become firmly established in most of the leading countries, while international payments and settlement of international balances were effected without domestic monetary disturbances or severe commercial crises. Though the purchasing power of gold may have fluctuated from time to time, with resulting changes in price trends, these occurred, as a rule, simultaneously in the leading countries, so there were few occasions for disturbances in reciprocal international exchange rates. In fact, the "gold points" were rarely exceeded in international exchange quotations, and these instances were of short duration.

A. M. Sakolski

But even in this "golden age" period of international monetary stability, economists were active in pointing out the defects of a metallic based currency. There were rumblings of complaints against the "inadequacy of gold," of its power to hinder free exchange and the flow of goods; of its changing value in relation to other commodities, and of its fluctuating volume of production, and the manipulation and monopolization of its supply.

All these complaints have been reiterated from time to time since the days of John Law and Adam Smith, but they were more forcibly and more "scientifically" presented by economists of the modern type, such as Irving Fisher, Gustav Cassel and John Maynard Keynes.

When the first European War broke out in August, 1914, one of its immediate effects was the abandonment of note redemptions by the central banks of the belligerent countries and the enforcement of severe restrictions on gold movements. Modern wars, if of a serious magnitude, are bound to have this effect. Wars also disrupt international trade relationships and thus tend to disturb the established equilibrium in the distribution of the world's gold reserves. As a result, the United States, before it entered the conflict in 1917, together with a few other non-belligerent countries whose exports mounted because of the war, greatly increased their gold holdings at the expense of the warring nations. But, despite the paper money regime that existed in most European nations during and following the war, gold was not permanently "dethroned" as an international monetary medium. In fact, its importance in this connection, for a time was intensified as was evident from the measures taken by various nations to acquire gold for international exchange purposes.

The struggle which Great Britain and other nations underwent to restore their currencies to a gold basis following the first World War is an indication that the academic attacks against the gold standard met with little success. Even the South American and other undeveloped countries which had been operating on a gold standard currencies. Both paper basis, attempted to establish India and Mexico, though still

(Continued on page 698)

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Jules Adell has resigned as officer and head of the Clearance Department of the Trust Company of North America to accept an executive position with the New York Stock Exchange firm of Arthur Wiesenberger & Co., 61 Broadway, New York City.

Mr. Adell will supervise the general office and all over-the-counter activities of the brokerage firm. He was associated with the Trust Company of North America for the past 14 years.

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NSTA Advertising Notes

Fellow Members:

Your advertising committe is anxious that you know your Vice-Chairman, Al Tryder, has produced over $1,000 in contracts in these past two days, which is credited to the Investment Traders Association of Philadelphia. This brings our gross total over $10,000, but we still have another 10 days to go, and we are certain this amount will be increased. Al deserves much credit, but like a good politician, he brings in late, but surprising, returns. By the way, Al will become associated with W. H. Newbold's Son & Co. on Sept. 1.

Our old friend Johnny O'Neill of Stein Bros. & Boyce, Baltimore, called in voluntarily a few days ago and offered his services in helping your advertising committee. Johnny is a swell character, and he has produced some business in Baltimore. It is also pleasing to note that Ray Bernardi of Cray, McFawn & Co., Detroit is still sending in contracts. Many thanks, Ray. Keep it up! Remember, we are still taking advertising contracts up until Aug 28. Will your firm be represented in the NSTA supplement of the "Chronicle" which will be published Aug. 31? Let's see.

K. I. M.

Harold B. Smith, Chairman NSTA Advertising Committee, Collin, Norton & Co., 30 Pine St., New York 5, N. Y.; Alfred W. Tryder, Vice-Chairman NSTA Advertising Committee, H. T. Greenwood & Co., 123 So. Broad St., Philadelphia 9, Pa.

Nat'l Stamping Looks Good

National Stamping Co. offers interesting possibilities, according to a report prepared by Mercier, McDowell & Dolphyn, Buhl Bldg., Detroit, Mich., members of the Detroit Stock Exchange. Copies of this report may be had from the firm upon request.

Attractive Outlook

Florida Portland Cement Co. has an attractive outlook, according to a study of the situation prepared by G. A. Saxton & Co., Inc., 70 Pine St., New York City. Copies of this interesting study may be had from the firm upon request.

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Compulsory And Private Social Security Essential: Pink

Former New York Superintendent Of Insurance And President Of Associated Hospital Service Maintains That Government Should Take Up The Work Only When Voluntary Effort Fails—Says Danger Is Not In Compulsion But In Bureaucratic Centralization

The need for cooperation between the proponents of compulsory social security and the advocates of voluntary efforts to protect the public against illness, poverty, and unexpected catastrophes was stressed by Louis H. Pink, President of the Associated Hospital Service of New York and author of "Freedom from Fear" at a meeting of the Kiwanis Club of New York held on Aug. 9 at the Hotel McAlpin, New York.

Louis H. Pink

Referring to the world-wide interest aroused by the Beveridge Plan Mr. Pink declared that an American Beveridge Plan must be based upon the American philosophy of government and the American way of life.

"What people seek today," said Mr. Pink, "is reasonable certainty of fair employment, and freedom from the fear of want. They also want to save their children and their children's children from another devastating war. For fulfillment, these desires are dependent upon each other. We cannot have security at home unless we have cooperation in international affairs. Even with the best of laws and intentions, no nation can be prosperous and secure unless other nations are also prosperous and secure.

"A great many people look to social security, which too commonly implies some compulsion on the part of government, for protection against want. Social security is one of the most helpful agencies and many nations have gone far along this road. The Beveridge Plan has aroused unusual interest not only in Britain but in many nations, including the United States. Too often compulsory social security and voluntary efforts are pictured as hostile, when in fact they should be complementary and supplement each other. True social security means more than compulsory government insurance. It embraces all voluntary effort to protect against illness, poverty and unexpected catastrophes. Seventy per cent of life insurance, the most important form of social security, is in this country and Canada. We lead the world in group insurance, which is inexpensive and provides many types of protection for the employed worker. The Blue Cross Plans span the country with hospital care for almost 15 million people, and they are only 10 years old. In some cities half of the population belongs to the Blue Cross Plan. These hospital plans are growing very rapidly and in another 10 years probably will protect a large proportion of the middle income group which is able to provide for itself. The rich may not need it, and the poor cannot be taken care of by any insurance scheme—even the Wagner Bill does not pretend to care for the indigent.

"Medical plans have made less progress but the profession is waking up to its responsibility not only for providing good medical care but for spreading it widely among the people. All voluntary types of protection as well as the compulsory types such as compensation and unemployment insurance, old age and survivorship insurance, help protect

(Continued on page 699)

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A. W. Tryder To Join W. H. Newbold's Son

PHILADELPHIA, PA. — Alfred W. Tryder as of Sept. 1 will become associated with W. H. Newbold's Son & Co., 1517 Locust Street, members of the New York and Philadelphia Stock Exchanges, as manager of the municipal trading department.

Alfred W. Tryder

Mr. Tryder was formerly manager of the Municipal Department for H. T. Greenwood & Co. Prior thereto he was with Suplee, Yeatman & Co., Inc. and was manager of the trading department for Edward Lowber Stokes & Co. He is vice-chairman of the NSTA advertising committee and is a governor of the Investment Traders Association of Philadelphia.

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National Security Traders Association To Hear P. L. Smith At Annual Meeting

P. L. Smith, President, Middle West Corp., will address members of the National Security Traders Association, Inc., at their annual meeting, Aug. 25 and 26, at the Palmer House, on the outlook for public utilities in the post-war era, Wm. Perry Brown of Newman, Brown & Co., New Orleans, President of the Association, announced today. Other speakers will be Congressman Lyle H. Boren of Oklahoma, who will speak at a dinner meeting the opening day, and Joseph A. Matter, Chapman & Cutler, who will address the municipal forum on "Some Practical Phases of Post-War Municipal Financing." Ralph Chapman, Chairman of the NASD, will preside at the corporate forum. Congressman Fred E. Busbey of Illinois will address the luncheon meeting on the final day. His subject is "Wake Up America."

The complete program for the meeting is:

Friday, Aug. 25

9:00 a. m.—Registration.

10:30 a. m.—National Committee Meeting.

1:30 p. m.—Municipal Meeting; Joseph A. Matter, Chapman & Cutler, "Some Practical Phases of Post-War Municipal Financing."

4:00 p. m.—Corporate Meeting; Ralph Chapman, Chairman NASD.

4:15 p. m.—P. L. Smith, President Middle West Corp., "Outlook for Public Utilities in Post-War Era."

6:00 .p m.—Informal Reception.

7:00 p. m.—Dinner; speaker, Hon. Lyle H. Boren.

Saturday, Aug. 26

10:30 a. m.—National Committee Meeting; Election of Officers.

1:00 p. m.—Luncheon; speaker, Hon Fred E. Busbey, "Wake Up America."

4:00 p. m.—Closing Reception.

Advance registrations should be sent at once to Leo J. Doyle, Doyle, O'Connor & Co., 135 So. La Salle St., Chicago, Ill., with checks payable to the NSTA. Larry Higgins of Hulburd, Warren & Chandler, is supervising hotel reservations, but it is suggested members send the reservation cards directly to the Palmer House. Also it is suggested that those attending the meeting arrange to arrive Thursday afternoon, Aug. 24, as it is impossible to guarantee that rooms will be available immediately on arrival the morning of Aug. 25.

The Market After Victory

In the August issue of the "Fortnightly Market and Business Survey," E. F. Hutton & Co., Members of the New York Stock Exchange, point to the strengthened technical position of the stock market arising from the "fear psychology of a market break" that was in evidence before "D" day.

"The unfavorable possibilities, so-called, of an early surrender by Germany on business and the market have been very much to the fore. Thus the short-run or near-term position is better and traders should continue to find profits, buy—on weak days," continues the review.

Strength After Surrender Day

"Stocks seem in a position where the final act of German surrender, if it comes with the market as it stands now, should usher in even more buying than followed 'D' day," it is further stated.

The Market February 1945

"The longer term, i.e., popularity six months or more, is very much more difficult to correctly forecast. This means attempting to gauge the dominant factors of February 1945. Will Germany be defeated as expected before winter? How will the Oriental war look? Who will be President? Will we be thinking then of a longer war than we now expect or will peacetime problems dominate? If the latter, will it be a time of fear, deflation, unemployment or will it be a period of enthusiasm as to the future?

"The bearish argument rests very much on the certainty of a drop in business and employment in the transition period sufficient to upset the markets and provide an opportunity to buy equities cheaply for the equally certain deferred demand and reconstruction recovery which will follow.

Transition Period Short

"The bullish point of view considers that the moment the war ends its waste ceases. Real wealth is always destroyed by wars in precise proportion to every moment additional time the wars last. With the coming of peace the process of rebuilding wealth will again begin. With this country dominant in the world and all the intellectual power which we turned to the problems of war focused on the opportunities of peace, it would seem as if the transition time will be shorter than we now judge and that profits generally will hold at a rather even keel through it.

"However, both these points of view are efforts at forecasting business and economic developments. There is no possibility that any market will ever synchronize its peaks, valleys and trends with actualities. The key to market profit lies in correctly gauging how far ahead and to what degree coming events will be discounted in prices. The market profits in the war stocks came almost entirely in the peace period before war earnings materialized. Actual war earnings had little effect when published. $9 per share net for New York Central did not cause it to sell at $90. And, likewise, the decline in New York Central earnings, already under way, is not going to cause a comparable contraction.

"In fact, the changes which are going to occur may be exactly the opposite. Central may sell higher earning $3 than earning $9 if investors see a greater degree of permanency in the latter level than they hope for now. Some marginal motor and electronic corporations may fail to even approximate the post-war net discounted in today's prices, with resultant declines.

"'Distribution' as one popularly attempts to gauge it has not occurred to as great an extent this year as it did previous to the 1943 decline. The top prices for stocks are more likely to occur

(Continued on page 703)

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Public Utility Securities

Illinois Power's Progress

Illinois Power Co. (formerly Illinois Iowa Power Co.) has been making rapid strides in the past year towards putting its financial house in order. The company became over-capitalized back in the 1920's when it took over from its parent company certain railway and terminal properties. As a result of its heavy bonded debt, dividends on the preferred stock were omitted and after some $24 arrears had accumulated in 1937, a partial recapitalization was proposed. Holders of the old preferred stocks had their holdings cut in half, obtaining $2.50 new preferred share for share (plus a share of common and a "dividend arrears certificate" of $24). Due to litigation by holders of the old preferred, dividends on the new stock (though fully earned) were not paid until 1941. While payments have been in excess of the regular $2.50 amount, arrears of $7.35½ still remain.

Last year the company sold its Iowa subsidiaries for a substantial amount, applying the cash to debt reduction. Later it was able to refund nearly all the remaining debt, placing some $65,000,000 bonds with a large group of insurance companies. This left only $6,000,000 debenture 5½s, which will probably be refunded next year. The company has thus improved its earnings, though taxes absorb a substantial part of the gain.

In 1942 the common stock, though earning $2.26 per share, sold as low as 5/16 (about 31¢). Last year earnings increased to $2.64 and current figures (not available) would probably be better. The common stock has advanced to 8⅝ (this year's range 10¾-4¼).

Meanwhile the company is trying to recover some $40,000,000 ($26,586,787 plus interest) from North American Light & Power Co. and the latter's paper subsidiary, Illinois Traction Co. Illinois Power has also extended its claims to include North American Co., which controls North American Light & Power. Some of these claims pertain to transactions during the late 1920's, which in ordinary court proceedings might be too old for consideration, but this limitation probably does not carry weight with the SEC. Once the amount of these claims is settled North American Light & Power will be liquidated. Here enters a problem of subordination or reduction of the North American Co. interest, which has been taken to the courts. Obviously, however, the size of Illinois Power's claim (if any) is the first problem to be settled. Once this has been fixed by the SEC other matters may be settled by compromise. It is of course impossible to predict either the amount or the timing of any successful claim, but the writer's guess is that some $10-15 million might be granted, and this could readily be realized through sale of part of North American L. & P.'s portfolio.

At the end of 1943 Illinois Power had a strong current position with net assets of nearly $7 million, and this excess cash was apparently only partially used in connection with the big refunding operation in February. Preferred dividend arrears amount to only about $3,550,000 and dividend arrears certificates call for about $11,600,000, or a total of $15,150,000. This could probably be paid off out of surplus cash, plus any reasonable settlement of the claims against the parent company. This would in turn clear the way for common stock dividends, unless the SEC should restrict such payments.

The company would like to sell its large railroad property, Illinois Terminal Railroad Co. This company earned net income of over $1,500,000 in 1942 and over $1,000,000 in 1943. It paid $500,000 dividends in each year to Illinois Power (plus a still larger amount in interest), and excess earnings were not included in the Power Co.'s income statement. These earnings constitute a "hidden equity" but they reflect wartime conditions. Illinois Power would like to sell the road, but thus far has been unable to find a purchaser. The sale of the property, if effected, would permit further reduction of funded debt. Failing in this objective, it is barely possible that the SEC might earmark future earnings on common stock for debt reduction because of the high debt ratio. Prospects for dividends on the common stock are therefore subject to a variety of factors and contingencies, but certainly the outlook is much more hopeful than two years ago.

Attractive Situations

Panama Coca-Cola, and Piper Aircraft common and preferred offer attractive situations, according to memoranda just issued by Hoit, Rose & Troster, 74 Trinity Place, New York City. Copies of these interesting circulars may be had upon request from Hoit, Rose & Troster.

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Broker-Dealer Personnel Items

If you contemplate making additions to your personnel please send in particulars to the Editor of The Financial Chronicle for publication in this column.

(Special to The Financial Chronicle)

BEVERLY HILLS, CALIF. — **Philip D. Allison** has joined the staff of **E. F. Hutton & Co.,** 463 North Rodeo Drive. He was previously with J. A. Hogle & Co.

(Special to The Financial Chronicle)

BOSTON, MASS.—**William J. Mains** has been added to the staff of **W. H. Bell & Co., Inc.,** 49 Federal St.

(Special to The Financial Chronicle)

BOSTON, MASS. — **B. Edwin Redden** is now with **Trusteed Funds, Inc.,** 89 Broad St.

(Special to The Financial Chronicle)

BOSTON, MASS. — **Barbara Hughes** has joined the staff of **Whiting, Weeks & Stubbs,** 36 Federal St.

(Special to The Financial Chronicle)

CHICAGO, ILL.—**Ray N. Stolp** has become associated with **G. J. Case & Co.,** 208 So. La Salle St. Mt. Stolp was previously with the Federal Reserve Bank, and prior thereto was with Sills, Troxell & Minton, Inc.

(Special to The Financial Chronicle)

CINCINNATI, OHIO — **Roy A. Hodges** has become associated with **Merrill Lynch, Pierce, Fenner & Beane,** 330 Walnut Street. Mr. Hodges was formerly with Granberry & Co., W. L. Lyons & Co. and W. D. Gradison & Co.

(Special to The Financial Chronicle)

GREENSBORO, N. C. — **James A. Love, Jr.** is now with **Thomas Darst & Co.,** Southeastern Bldg.

(Special to The Financial Chronicle)

HIGH POINT, N. C. — **Charles E. Diffendal, Jr.** has been added to the staff of **Kirchofer & Arnold, Inc.,** Insurance Building, Raleigh, N. C.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—**James D. Kent** is now connected with **Bankamerica Company,** 650 South Spring Street. Mr. Kent was previously with Fewel & Co. and Searl-Merrick & Co.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF. — **Erwin W. Widney** is now affiliated with **Bingham, Walter & Hurry,** 621 South Spring Street.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—**Willard A. Campbell** has joined the staff of **Cruttenden & Co.,** 634 So. Spring Street.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF. — **Eugene Ellery, Jr.** has become associated with **Harris, Upham & Co.,** 523 West Sixth Street. Mr. Ellery was previously with Pacific Co. of California and Bingham-Walter & Co.

(Special to The Financial Chronicle)

MILWAUKEE, WIS.—**Oscar F. Loeffler** is with **Paine, Webber, Jackson & Curtis,** 605 No. Broadway.

(Special to The Financial Chronicle)

MILWAUKEE, WIS. — **Monnie Elholm** has become connected with **Budd L. Sholts,** 61 West Wisconsin Ave.

(Special to The Financial Chronicle)

PORTLAND, ORE. — **Elizabeth Grimm** is with **Merrill Lynch, Pierce, Fenner & Beane,** Wilcox Building.

(Special to The Financial Chronicle)

PORTLAND, ORE.—**Ralph R. Macartney, Jr.,** formerly with Hess & Butchart, has become affiliated with **John Galbraith & Company,** Porter Building.

(Special to The Financial Chronicle)

ST. PETERSBURG, FLA.—**A. T. Moorefield** is with **Cohu & Torrey,** Florida National Bank Building.

(Special to The Financial Chronicle)

TOLEDO, OHIO — **George E. Chapin** has become associated with **Hayden, Miller & Co.,** Union Commerce Building, Cleveland, Ohio. Mr. Chapin was previously with J. A. White & Co., Ryan, Sutherland & Co. and Stranahan, Harris & Co.

(Special to The Financial Chronicle)

WEST PALM BEACH, FLA. — **Walter G. Jester** is with **Thomson & McKinnon,** 319 Clematis Street.

(Special to The Financial Chronicle)

WORCESTER, MASS. — **Helen A. Tsianco** is now affiliated with **Hanrahan & Co.,** 332 Main St.

Capper Fears Tariff Laws Might Be "Nullified" By International Monetary Pacts

Ratification of the Bretton Woods International Monetary agreements, according to Senator Arthur Capper (Rep.-Kans.), should be decided "as provided by in Constitution, by the Senate of the United States." In Associated Press advices from Washington Aug. 13, as given in the New York "Herald Tribune," Senator Capper is reported as saying that "a proposed fund and bank both apparently would have power to 'nullify' our tariff laws and," he added, "that 'some of our tariff laws from time to time should be modified, but they should be modified by Congress, not by an International Fund Board or by an International Bank Board on which the United States representatives would have only 28% and 27% of the voting strength respectively.' "

[In a statement prepared for the "Chronicle," Senator Capper said:

The Bretton Woods program seems to me to be open to the definition that it proposes to make all the world prosperous and happy and contented through funds provided largely from the Treasury of the United States, and through a world bank financed largely by the Treasury of the United States.

At first glance all this might seem to be putting a pretty heavy load upon the Treasury of the United States, considering that when the war ends the national debt of the United States promises to exceed 250 billions (that is 250 thousand millions, or a quarter of a trillion dollars.

I might add that the impression one gets from a first glance at these proposals becomes stronger at second, third and fourth glances.

Any proposals to make everybody in the United States prosperous through payments from the Federal Treasury should be studied very carefully.

Any proposals to make all the world prosperous, happy and contented through funds provided by the Federal Treasury also should be studied with great care before being adopted.]

"Asserting that the world fund and world bank proposals were referred to as agreements rather than treaties, Mr. Capper said he assumed 'we will learn later whether the U. S. Government is to be bound to them by executive agreement,' or whether they are to be ratified as treaties by the Senate."

Various items on the monetary agreement appeared in recent issues of our paper: July 27, pages 377, 379, 388 and 390; the summary of the agreement appeared in issue of Aug. 3, page 518; also in our Aug. 3 issue, page 486, we noted that Senator Taft had indicated his support of Senator Wagner in a move to delay Congressional action on the Monetary Fund.

Tomorrow's Markets Walter Whyte Says——

War news leaves market cold. Pessimism on post-war plans increasing in boardroom circles. Tape action, however, points to higher prices.

By WALTER WHYTE

Little has happened marketwise since the last column appeared. The outstanding feature of transactions seems to have been dullness. But if tape action made watchers yawn then the news from the war fronts kept them wide-awake.

* * *

The most exciting of the war developments was the Tuesday's flash that the Allies had made new landings on the South of France. Yet while the news made newspaper headlines it left the market strangely untouched. This refusal to act one way or another has deepened the confusion. Here was a big piece of news, the boardroom watchers argued, and still the market didn't go up. Others said this refusal to advance was proof that prices were on the edge of falling off and you'd better watch out.

* * *

Both statements or beliefs are interesting but have as little to do with the stock market as a discovery that life exists on Mars. Fact is that the announced landings in Southern France were discounted by the market some time ago. I don't mean that the market actually knew of these occurrences. But once a trend is established the odds are in favor of this trend continuing until something comes along and changes it. When we made our first invasion—D-Day—it was obviously a nip and tuck affair. As we deepened our advances it became clear that we had the whip hand. From that time forward it was no longer a hope of victory that was presented to us. It was a certainty. The trend for victory had been established. From that time forward practically anything which happened on the fighting fronts would hasten the day when the actual day of victory would come.

* * *

The market realizing this state of affairs decided then what it would do. And just as always its decision left many people high and dry. Before D-Day the belief that

(Continued on page 699)

International Security Conference To Open At Washington On Aug. 21—Russian Proposal

In disclosing on Aug. 14 that Russia and China as well as Great Britain have been fully apprised of American plans for a post-war world security organization, Secretary of State Hull stated that the British and the United States are in substantial accord on the main lines of the proposed organization.

Mr. Hull indicated that the Russians within the last two days had sent a memorandum on their own security ideas but he had not had time to study it thoroughly enough for comment.

As was noted in our Aug. 3 issue, page 517, the post-war security conferences will be held at Dumbarton Oaks, a famous Georgetown estate, and will open on Aug. 21 with Undersecretary of State Edward R. Stettinius as American delegate, Sir Alexander Cadogan, Undersecretary of the British Foreign Office as British representative, and Ambassador Andra Gromyko as Russian spokesman.

According to Washington Associated Press advices, Aug. 14, a Russian proposal for organizing the post-war peace in a manner which would place control firmly in the hands of the great powers capable of using force to suppress aggression has aroused intense interest among Washington officials as being probably the key to Soviet security planning. From these press advices we quote:

"The proposal is contained in a lengthy analysis of failures of the League of Nations and suggestions for a new world organization which was recently published in a Leningrad writers' magazine, 'Zvezda.' . . .

"The main point of the Russian proposal is that the 'genuinely guiding and decisive role' in the organization 'must be assumed by the great powers, which have demonstrated in fact during the present war their greatness, stability and power.'

"This would be accomplished, the article implies, by creating the 'directive organ' of the peace agency solely out of great powers and giving the world's small nations a position only in the general assembly of nations. The assembly would decide routine matters by majority vote and important questions by two-thirds vote, so that there would be no 'false equality' extending to the small powers a voice in decisions greater than their real influence in world affairs, the article declares.

"The ties binding the great powers within the peace agency framework would be supplemented by separate treaties among them covering the use of force, which would be decided upon by the great states on a basis of unanimity.

" 'In these treaties,' the Russian proposal states, 'there must be defined as precisely as possible the role of each power in extinguishing this or that center of aggression. This role, of course, will not be the same for each power in each case, and will depend on a number of political, geographical and strategic conditions, but at the same time their mutual aid to one another in any action for safeguarding peace must be assumed in one degree or another.'

"Other sections of the article make clear that this means a regional responsibility for each great power in the maintenance of peace but no one of them would act except on unanimous agreement with the others.

"On the question of organizing force for maintenance of peace, the Russian proposal calls for an international air force which would be able to strike swiftly against any aggressor, but it describes as impractical the organization of an out-and-out international police force."

Secretary Hull praised the British and Russian delegations as able groups of experts whose assignment he described as a matter of considerable satisfaction to this Government. Reporting this, the Associated Press on Aug. 14 said:

"At his news conference, his first in two weeks since he has been away for a rest, he also noted that today is the third anniversary of the Atlantic Charter, and tied that fact with the forthcoming security talks.

" 'There is sound reason,' he declared, 'for believing that the present effective collaboration of the United Nations, which began in the midst of a terrible war for survival, will be continued and strengthened in the future for the maintenance of peace and security.'

"Mr. Hull said the gist of the American security plan was given out by President Roosevelt in his statement of mid-June in which he called for a collaborative association of sovereign States backed by force but declared against a super-State or an international police force."

The President's plans for an International Security Conference were referred to in our issue of June 22, page 2609.

John C. Roberts With Peters, Writer Firm

(Special to The Financial Chronicle)

DENVER, COLO.—John C. Roberts has become associated with Peters, Writer & Christensen, Inc., U. S. National Bank Building. Mr. Roberts has been assistant manager for the Reed Partnership for six years. In the past he was in charge of the municipal department of the Denver office of Otis & Co.

Situations Interesting In Conn. Companies

Chas. W. Scranton & Co., 209 Church Street, New Haven, Conn., members of the New York Stock Exchange, have prepared memoranda on Acme Wire Co.; Veeder-Root, Inc.; Scovill Mfg. Co.; Arrow-Hart & Hegeman Electric Co.; Landers, Frary & Clark, and United Illuminating Co., Connecticut situations which appear attractive at current levels. Copies of these memoranda may be had from Chas. W. Scranton & Co. upon request.

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Railroad Securities

The approval by the Interstate Commerce Commission of a reorganization plan for the Missouri Pacific, following very closely the terms set forth in the so-called "Compromise Plan" formulated many months ago, came as a surprise to most rail men who have followed reorganization procedure closely. The surprise was a pleasant one to most of the road's bond holders. At one time, and based on the long term earnings record of the constituent properties, it had generally been conceded that the original reorganization plan set up by the ICC was unusually liberal in point of amount of income bonds allowed.

In other reorganizations the Commission has displayed no recent inclination to adopt a more liberal policy with respect to reorganized capitalizations in the face of high war earnings. In the Missouri Pacific case, however, fixed interest debt is to be moderately larger than contemplated in the original Commission plan and contingent interest debt is to be increased to $159,175,000 from the $120,661,000. In the earlier stages of the proceedings this latter was considered somewhat on the heavy side. As an offset, the amount of new preferred stock is to be reduced and the total capitalization is to remain very closely in line with that of the Commission's original plan.

It appears hardly likely that the Commission was influenced in its decision to substitute income bonds for preferred stock by the consideration of the tax benefits to the reorganized company. If that were the case the argument would apply just as strongly to every other railroad reorganization. In the other reorganizations the Commission has not provided similar capital readjustments. It seems, rather, that the Commission was strongly influenced by the substantial measure of accord among various bond holders' groups, and felt that action calculated to minimize lengthy litigation was justified even though it weakened to some extent the original conservative capital structure.

Parties to other reorganization proceedings now pending before the Commission would do well to give this point serious consideration. Time spent in consultation and arriving at a plan acceptable to representatives of holders of a large number of the various affected liens before presentation to the ICC will be well worth while if it is to result in a material liberalization of the new capitalization.

While the ICC has finally approved a plan of reorganization for Missouri Pacific, consummation is still a long way off. By the mere mechanics of reorganization under Section 77 it would appear overly optimistic to expect the proceedings to be brought to a close before early 1946 at best. The Commission must hold further hearings and bring out its final modified plan before it may even be presented to the Federal District Court for hearings and approval (or disapproval). Then, even if everything runs smoothly, there will be the voting by security holders, the certification of the results of the balloting to the court, and final confirmation by the court, to say nothing of drawing of indentures, having the new securities approved by the ICC, etc. To this will be added the time consumed in appeals—even where bond holders are unanimously in favor of a plan it may virtually be taken for granted that the debtor itself will appeal against elimination of the old stock holders. Compared with equity proceedings, once a plan has been approved, Section 77 is a notably slow process.

While the date of possible consummation of a reorganization plan is still a long way away, the time element is not considered by rail men as detracting from the speculative appeal of most of the system bonds, on the basis of the treatment they are to receive. As a matter of fact time may work towards improving the potentialities of the old bonds, as it has in the past in most reorganizations, in allowing the accumulation of further substantial cash. In the long run this is true regardless of whether the cash is distributed directly to the old bond holders or held intact to be passed over to the new company and used by it to improve the properties or retire new debt.

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Loeliger With Arnhold And S. Bleichroeder

Arnhold and S. Bleichroeder, Inc., 30 Broad St., New York City, announce that Fred V. Loeliger has become associated with their firm, specializing in foreign dollar and currency securities.

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Ransom Edwards Joins Riter & Co. Dept.

Ransom R. Edwards, formerly with Newborg & Co., as manager of the trading department, is now associated with Riter & Co., 40 Wall Street, New York City 5, members of the New York Stock Exchange, in charge of the trading in unlisted securities and railroad bonds, and the developing of out-of-town business with dealers.

Ransom R. Edwards

Mr. Edwards, who has been in Wall Street for 16 years, is widely known not only in New York but also in many cities all over the country by brokers and dealers with whom he trades.

Riter & Co. maintains a direct private wire to their branch office in Chicago.

Mr. Edward's new telephone number will be HAnover 2-8000; the teletype is NY 1-1092.

Mallory Interesting

P. R. Mallory & Co., Inc., offers an interesting situation, according to an analysis prepared by Steiner, Rouse & Co., 25 Broad St., New York City, members of the New York Stock Exchange. Copies of this analysis may be had from Steiner, Rouse & Co. upon request.

Outlook For Rails

Hirsch, Lilienthal & Co., 25 Broad St., New York City, members of the New York Stock Exchange, have prepared an interesting analysis of the "Outlook for Railroad Common Stocks." Copies of this interesting study are available upon request.

Situations of Interest

F. H. Koller & Co., Inc., 111 Broadway, Newe York City, have prepared a memoranda on Great American Industries, Laclede Christy Clay Products and Indiana Limestone which the firm believes appear attractive at current levels. Copies of these interesting circulars may be had upon request from F. H. Koller & Co.

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Real Estate Securities

By JOHN WEST

Triple A Real Estate Bonds

It is a mighty broad statement to rate a bond Triple A. Surely such a bond must be conservative indeed. Just what is a conservative real estate bond? Ample interest coverage? Only partially so. Changing conditions can materially affect real estate income. Good management? Again only partially so. Good management may save on operating costs but unless the merchandise they offer is in good demand, it is hard to realize a profit. The absolute deciding factor of this conservativeness of a real estate bond is the value of the property securing the bond issue. The smaller the mortgage securing the bonds in relationship to the value of the property—the better the bond.

As an example, we have selected two real estate bond issues that are so conservative that it may be possible to consider them Triple A.

Prince & Lafayette Street debentures due December, 1952, are interesting. There is no funded debt ahead of these debentures and the outstanding issue is only $306,300 compared with a $1,075,000 bond issue originally issued on the property. An important feature of these debentures is that they trade with stock representing a share in the ownership of the property. Bonds pay 5% interest and surplus funds are used to retire bonds. Bonds can usually be purchased in the middle ninety's.

How very low the bond issue of $306,300 actually is can be realized by the assessed value of the property which is $800,000. Property consists of land owned in fee improved with a 15 story loft building. Property occupies the entire block front of Prince Street (84.8½) between Lafayette Street (173') and Crosby Street (143').

Our second example is the First Mortgage bond issue on the Tyler Building at 19 John Street currently outstanding in the amount of $408,500 compared to $1,400,000 bonds originally issued and an assessed value of $1,025,000. An important feature of these bonds is that they trade with stock representing an equal share of the ownership of the property. Bonds are secured by a First Mortgage on land owned in fee and 15 story office building in the heart of the Insurance Section of New York. Bonds sell below 90 and have been paying 6% interest.

Advocates U. S. Participation In World Organizations

(Continued from page 683)

investors foreign bonds to the total of approximately $7,000,000,000. On the loans made by our Government only token payments were made and the default on the foreign bonds sold to private investors was almost 100%. In the light of that unhappy experience the American people made the fatal mistake of assuming that we could go it alone, that foreign markets and a stable medium of international exchange were of no great moment to us and that we could work out our own salvation provided we would, as far as possible, withdraw from and isolate ourselves from world affairs. That tragic mistake must not be repeated. We now know that the world is round and not flat and that the major industrial centers of the world are within 24 hours bombing range of the North Pole. We know that our oceans are avenues of approach and not protective moats, that the steamship and the airplane have wiped out distances and that the radio, which knows no international line, has given to new ideas the wings of the morning. In a word, as Saint Paul would say, "We are all of one body," and if Europe or any other major part of the world is sick we will share in the headache. Since we cannot escape the impact of world events our goal should be to shape those events, or to participate in their shaping, to our own best interest. Such a program will include participation in an international organization with power to stop any aggressor, in a world court for the peaceful arbitrament of international differences of a juristical character and in an international program that will implement the commitment of the Atlantic Charter that all nations of the world shall have appropriate access to essential raw materials. In a word, if we want friends in the post-war era as guaranty against another world conflict we must be a friend.

Aside from the fundamental objective of a lasting peace we can't hope to have anything approaching satisfactory employment at adequate wages in this nation without an outlet for our surplus production. The home market, of course, is our most important market. Approximately 20% of our population is dependent upon agriculture for a livelihood. If our farmers are to have full employment and parity prices for their production there must be foreign outlets for approximately 40% of our cotton, 30% of our tobacco, 20% of our wheat, apples, etc. If our automobile, airplane, machine tool, electrical equipment and office equipment industries are to have satisfactory employment they should have a foreign outlet for at least 10% of their production. As President McKinley so wisely said, we can't sell abroad unless we are willing to buy from abroad as that will be the principal means by which those desiring our products can acquire dollars for payment. Personally, I attach more importance to the plans we adopt for international trade and a stable medium of international exchange than the particular plan of international cooperation adopted for the purpose of international peace since, in the past, trade wars have usually eventuated into shooting wars.

Concerning the formulation of peace plans, we should not reject what is presently possible simply because it may not be theoretically perfect. The Ten Commandments do not furnish a blueprint for the entire social and economic needs of the 20th Century, but they are good starting points and I do not favor their repeal.

Some will say that international cooperation to prevent aggression in which the sovereignty of the participants is preserved will not be effective; some will say that it is futile to formulate plans to stabilize a medium of international exchange until you have worked out a full and complete program for post-war world trade; and some will say the nations of the world have always fought each other and will always continue to do so. Our Chinese Allies furnish the correct answer to those pessimistic views when they say "A journey of a 1,000 miles is commenced with one step." If, because we can't at the start work out perfect plans we refuse to take any step toward the elimination of the fundamental causes of international conflict and disagreements we might as well stop talking about a post-war tax bill that will give substantial relief from war taxes because the military establishment we will be forced to maintain as an isolated nation will consume all the tax money we can possibly raise and then some.

A. WILLIS ROBERTSON.
Washington, D. C.,
Aug. 9, 1944.

OUR REPORTER'S REPORT

Latest returns on War Bond sales, covering the first twelve days of the current month are not too encouraging considering the fact that redemptions came within striking distance of equalling new sales in the period.

The figures show that a total of $121,416,110 of Series E, F and G bonds were disbursed in that interval. But they reveal also that no less than $119,224,341 were turned in by holders for redemption.

And only a few days ago it was announced by the Treasury that October 1 had been set tentatively as the date on which the commercial banks would begin cashing war bonds with a minimum of delay. Aside from probable needs for additional cash for vacation spending, there does not appear to have been any special explanation for the heavy redemptions other than the hopeful character of the war news.

Perhaps it behooves Secretary of the Treasury Morgenthau, who is touring the European battle areas, to get on his plane and hustle home. Certainly if this rate of redemptions is maintained, the head of the national exchequer probably could leave the business of war to the Generals and the Admirals.

He, evidently, has his work cut out for him on the home front. But perhaps living costs are beginning to make themselves felt now to the point where more than a little dipping into reserves is necessary on occasion. The August 1 to 12 record may be only a temporary situation, but then it is worth looking into just the same.

Kansas City Terminals

What with the bulk of new corporate issues, now reaching market, being sold on a competitive bid basis, this is far from a dull summer for investment banking firms even though the volume of new offerings is not large by any means.

The underwriters are currently awaiting a call for bids, expected within the next week or so, on $47,000,000 of 30-year first mortgage bonds of the Kansas City Terminal Railway. The company has applied to the Interstate Commerce Commission for approval of such an issue to mature serially to and including Oct. 1, 1974.

Proceeds, together with such treasury funds as are necessary, would be applied to the redemption of $49,000,000 of 4% bonds, due 1960, now outstanding. The new bonds will be sold at par with the bankers being called upon to fix the interest rate and consequently the cost to the issuer.

Port of New York Authority

How widely price and market ideas of banking groups may differ at times was rather clearly indicated this week when the Port of New York Authority opened bids for its new issue of $17,671,000 of general and refunding bonds.

Only two groups sought the bonds, but the spread between their tenders was unusually marked, being equivalent to 1.73 points. The winning syndicate paid the Authority 95.85 for the issue, indicating a cost of 2.2184%, and proceeded to reoffer the securities on the basis of 97½ to yield the investor a return of 2.12%.

On the basis of the second bid received by the Authority, 94.12, the interest cost would have been 2.30947. The bonds were reported going well on the reoffering.

Rail Equipments Active

The flow of new railroad equipment trust certificates to market continues at an active pace in the wake of War Production Board action allowing increased material for the construction of rolling stock.

New York Central recently called for bids on an issue of $15,000,000, and this week Chesapeake & Ohio applied to the ICC for authority to issue $2,500,000 while Chicago & North Western seeks to issue $5,180,000.

Narragansett Electric Co.

The backlog of pending public utility company flotations was substantially augmented this week when the Narragansett Electric Co., subsidiary of the New England Power Association, registered with the Securities and Exchange Commission for a new 1st mortgage issue.

This company proposes to sell $31,500,000 of new first mortgage Series A 3s, due 1974, which means that buying departments of banking houses will be busy for a while figuring what the market will take here in the matter of pricing.

Receipts from the sale, with company cash, would be used to redeem $31,732,000 of the outstanding Series A 3½s due to mature in 1966.

Hirsch, Lilienthal Adds Edward Shensa

(Special to The Financial Chronicle)

CLEVELAND, OHIO—Edward Shensa has become associated with Hirsch, Lilienthal & Co., Union Commerce Building. Mr. Shensa was formerly with Ira Haupt & Co.; was manager of the statistical department for C. E. Unterberg & Co., and was with Singer, Deane & Scribner and Soucy, Swartswelter & Co. of Youngstown. In the past he had his own investment firm in Boston.

Economic Stabilization In The Post-War Era

(Continued from first page)

again restored. This of course assumes a free competitive society in which values can adjust according to the knowledge of value relationships which is quickly understood by the general public. But do we have that kind of a society? Does management and regimentation prevent values from readjusting? A free society worked most imperfectly and unjustly at times, but does a managed economy work any more perfectly and justly?

Some Maladjustments That We Have Now

The reconversion from war to peacetime business has caused a maladjustment following all wars. But this war is different. It is world wide. It is larger and it has brought about a greater concentration of the population in places necessary for war work but not practical for peace times. It seems quite safe to say that a larger percentage of the working people are engaged in war work than was the case during any previous war. Also it is perhaps safe to say that more women are working at war jobs and peace time jobs than ever before, and a large percentage of these women will wish to continue to work. Then there is the large number of men and women in the military forces to be demobilized and returned to their former peace time occupations. The numbers actually in the military forces are perhaps more than 100% larger than in World War I.

While the war has been in progress there has been a great concentration of industry. More than one million businesses have ceased to exist, while only about a half million new businesses have been formed. The government has many billions worth of war plants for sale. Some of these are useful and some have only junk value. Many peace time industries have been expanded for war purposes a thousand per cent. People have changed their habits in everything from food to transportation. New products have been created and the uses of old products made obsolete. A list of these maladjustments would fill a large catalogue.

Some Economic Figures On Maladjustments

From figures presented in the Federal Reserve Bulletin income payments have increased from an index number of 98.5 in 1938 to 211.7 in 1943; the physical volume of production (unadjusted) from 89 to 239; factory employment from 91 to 168; factory payrolls from 85.1 to 316.4; department store sales from 99 to 168; wholesale commodity prices from 78.6 to 103.1 and the cost of living from 100.8 to 123.6. (These Indices are compiled by the Federal Reserve Bulletin. However, they do not have the same base year. For example, the cost of living is based on 1935-39 as 100, while the wholesale prices are based upon 1926 as 100. Nevertheless, the trend of the changes is quite evident.)

When similar maladjustments have occurred in the past, though never so extreme, a period of adjustment causing a depression occurred. For example, taking 1926 as 100, all commodity prices moved from 68.1 in 1914 to 154.4 in 1920, and back to 95.3 in 1929 and then down to 65.9 in 1933. The adjustments in manufacturing, mining, factory payrolls and international trade were very similar to the price adjustments. The history of these times is too well known to require further comment. But suffice it to say that maladjustments are followed by adjustments, inflationary or deflationary, and no matter which comes first the other inevitably follows as all past history informs us.

SOME INDICATORS OF FINANCIAL MALADJUSTMENTS

Year—	Total U. S. Receipts	Expenditures	Gross National Debt
1917	$1,124,325,000	$1,977,682,000	$1,023,557,000
1919	5,152,257,000	18,522,895,000	26,594,268,000
1930	4,177,924,000	3,994,152,000	16,185,308,000
1941	7,607,212,000	12,774,890,000	58,019,773,000
1944 (Estimated)	41,186,000,000	99,276,000,000	250,000,000,000

OUTSTANDING NET PUBLIC AND PRIVATE DEBT

(In billions at the year ends)

1916	74.7	1938	158.0
1920	124.3	1939	161.4
1929	173.4	1943	273.5
1933	151.3	1944 (Estimated)	400.0

NUMBER OF BANKS, LOANS, INVESTMENTS AND DEPOSITS

(Dates selected to indicate trend)

	No. Banks	Loans & Inv.	Loans	Investments	Deposits
		(000,000 omitted)			
1914, June 30	26,274	$20,788	$15,257	$5,532	$18,566
1920	29,829	41,684	30,839	10,845	39,721
1929	25,110	58,474	41,531	17,442	53,852
1933, Dec. 30	15,219	40,477	22,077	18,400	38,646
1941, June 30	13,422	46,186	19,909	26,276	65,608
1943, Dec. 31	13,270	83,507	18,841	64,666	104,094
1944 (Estimated)	13,200	125,000	19,000	105,000	145,000

After World War I a short period of readjustment and a mild depression was followed by about eight years of financial inflation with only a few mild interruptions worthy of the name of a few months' reaction. During the first war our net public debt had increased sharply and bank deposits had increased more than 100%. But during the decade that followed the Federal debt was reduced by about 10 billion of dollars, while the city and state debts increased rapidly and the net public debt was marked up more than twice as much as the Federal debt costs of the First World War. In addition, the debts of private corporations expanded as never before. Also, it should be pointed out that it was in this period that instalment credit had its great expansion. Everything from automobiles to house furnishings were sold on the instalment plan, and when the credit wanted was restrained there was a network of loan companies licensed by the states to make loans at rates of 42% per annum to meet all extra needs. This decade of credit expansion following the recovery beginning in 1921 witnessed an increase in total public and private debt of more than twice the small Federal debt cost of the First World War. But the payday came in 1929, as has been the case of all bubbles and over-expansion of credit from the "South Sea Era" to the "New Era."

Credit Expansion of World War Two — What Is Ahead?

During this war the national debt and the net public debt have expanded many times that of World War One. In fact, the rise of these public debts has outstripped anything recorded in financial history, and we have no records to compare this credit expansion with in the pages of history of this country or any other country. As a result, bank deposits will probably reach 150 billion dollars by the end of the fiscal year 1945. What is to follow this "era" of war credit expansion? Will speculation and rising prices consume this increased credit? How will the debts be paid or reduced, and the bank deposits reduced? Can these debts and bank deposits be managed so as to prevent another wild boom and the inevitable collapse that always has followed booms? Recovery and inflation booms are always interpreted as "New Eras," "Prosperity" and just the natural activity of an industrious people until they burst. Then the blame is placed squarely upon the bankers, the speculators or the government. All of which undoubtedly bear a portion of the blame. But they in turn blame the public.

Can we escape a "New Era" and its consequences?

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Television Prospects Bright

James H. Carmine, Vice-President Of Philco Corporation, Says Survey Reveals 86% Of People Would Like To Have Television In Their Homes—Radio Industry Prepared To Meet Post-War Demands

James H. Carmine

Approximately $25,000,000 has been invested in television research and development by the radio industry to get television ready for the public, according to James H. Carmine, Vice-President in charge of merchandising for Philco Corp., speaking before the Radio Executives Club television seminar in New York City on Aug. 10th.

"Probably never before has the product of a great new industry been so completely planned and so highly developed before it was offered to the public as has television," Mr. Carmine said. "Through long years of research and development the television art has been so perfected that the product itself and the service it renders will be ready for the public in a highly-developed state as soon as the war is over. The best evidence that the public thinks well of television is the universal response that comes from those who have a chance to see it. As soon as television receivers can be made and sold, the public will eagerly buy them in tremendous quantities."

A recent consumer survey revealed that 86% of the people would like to have a television receiver in their homes, Mr. Carmine pointed out. Few, if any, post-war wants are more general.

"Because it is a highly technical scientific instrument, a television receiver to operate properly must be installed by skilled personnel and serviced by those who are especially trained in this work," Mr. Carmine continued. "Here again television will start off with a great advantage over automobiles, radios and all our modern household appliances in that a large body of experienced personnel, who have had the benefit of Army and Navy radio and high frequency training, will be ready to handle installation and service as soon as the war is over. We estimate the number of these expert service men, who can be given the latest television information very quickly, at 20,000. Their availability and desire to get into television will give a tremendous stimulus to the video art."

Over and above its post-war employment opportunities, television will make great contributions to the public welfare in the fields of education and entertainment, Mr. Carmine pointed out. By combining sight with sound, television is the ideal medium for the transmittal of ideas and intelligence. It is the next best thing to talking with a teacher face-to-face. Properly used, television can do much to make the people of the United States better informed and better educated than ever before. In the entertainment field, it opens whole new vistas which courageous pioneers are now spending time and money to explore and develop in anticipation of the day when television stations will cover the whole country and a tremendous audience will exist.

"Present television broadcasting is within the reach of about 25,000,000 persons, if receivers were available," Mr. Carmine said. "If all the stations for which permits have been requested are construced, television coverage would expand to 70,000,000 people—more than half the population of the country. The New York-Philadelphia relay link which Philco has developed sets a pattern whereby the stations in different cities can be tied together to begin a national hook-up and make the outstanding shows and news events of the country available to the television audience.

"As you may already know, television is now becoming international, and construction of a transmitter in Mexico City is being considered.

"In popularizing television and giving it the initial impetus it needs to get underway, the most important thing is to let people see it for themselves. Television itself is many times more powerful than any words that can be said about it. Even today, only an infinitesimal number of people in the whole United States have seen television. What all of us in the industry need to do, as quickly as possible, is to give demonstrations all over the United States. If we do this, such questions as demand, price, production, and markets will almost solve themselves. The public response will surprise all of us in its enthusiasm and spontaneity."

ADVERTISEMENT

NOTE—*From time to time, in this space, there will appear an article which we hope will be of interest to our fellow Americans. This is number forty-five of a series.*
SCHENLEY DISTILLERS CORP., NEW YORK

First Table!

I have just enjoyed a rare privilege. One of my associates has a son, an officer in the Navy, and his ship was in for a few days. We went down for a visit. We were honored too, because we were asked to stay for mess. Good food these kids are getting and plenty of it. That made me very happy and you'd be happy too, to see the practical workings of a plan that says to our civilian population, "We've got to practice a mild self-denial; we've got to deny ourselves, quantitatively, some of the things that we are accustomed to, so that our fighting men, who are giving up so much more than we, to preserve our Nation, can sit at the 'first table' until our objective is won."

And then we sat down with a group of these kids and talked about what they planned to do after the victory parades are over. These are days, you know, when post-war planning tops the list of "musts." Well, we learned a lot and we gained a new respect for the soundness of these kids' thinking. They're way beyond their years—and America need feel no concern about the future.

And, then, just when it was time for us to leave, a clear-eyed, clear-skinned sailor, who hadn't said a word during our general conversation, sort of shuffled forward. Shyly, naively, he handed me a snapshot of his little daughter — a darling baby girl; and there was a huskiness in his voice when he said, "Mister, here is a picture of *my* post-war plan!"

I had a grand afternoon on that ship. It was so clean—and the air was fresh. Tonic!

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FREE—*Send a postcard or letter to Schenley Distillers Corp., 350 Fifth Ave., N. Y. 1, N. Y. and you will receive a booklet containing reprints of earlier articles on various subjects in this series.*

Sugar Situation Of Interest

With the Cuban commission appointed to negotiate for higher sugar prices, Warner Sugar 1st and refunding 7s offer attractive possibilities, according to a special bulletin being distributed by Amott, Baker & Co., Inc., 150 Broadway, New York City. Copies of this bulletin may be had from the firm upon request.

Printing Ink Looks Good

General Printing Ink offers an attractive situation according to a memorandum issued by Newburger & Hano, 1419 Walnut Street, Philadelphia, Pa., members of the New York and Philadelphia Stock Exchanges. Copies of this memorandum discussing the outlook may be had from Newburger & Hano upon request.

Acme Wire Co.
Veeder-Root, Inc.
Scovill Mfg. Co.
Arrow-Hart & Hegeman Elec. Co.
Landers, Frary & Clark
United Illuminating Co.

Markets and memoranda on these Connecticut companies available on request

CHAS. W. SCRANTON & CO.
NEW HAVEN
New London Waterbury Danbury
Members N. Y. Stock Exchange

Connecticut Brevities

Scovill Manufacturing Co. of Waterbury has called for redemption on Sept. 1, 1944, the remainder of its 3¼% debentures due July 1, 1950. The bonds, presently outstanding in the amount of $4,500,000, are redeemable at 102½ and accrued interest to the call date. Upon completion of the call, the company's sole capitalization will consist of 1,046,838 shares of common stock.

* * *

The Connecticut Light & Power Co. is currently offering to purchase its outstanding 7% first and refunding mortgage bonds due on May 1, 1951, at a price of 125% of par and accrued interest to and including Aug. 21, 1944, on which date the offer expires. Bonds not tendered are subject to call for the sinking fund at 103½ on Nov. 1, 1944.

The company has also announced that it will redeem on Sept. 1, 1944, the $7,000,000 first and refunding 3½% series F bonds due Sept. 1, 1966.

* * *

Collections of Internal Revenue in Connecticut for the fiscal year ended June 30, 1944, amounting to $896,529,929, showed an increase of 65% over the preceding year. Total collections indicate that Connecticut ranks 12th among the United States as a source of revenue.

* * *

For the first six months of 1944, **Bigelow-Sanford Carpet Co., Inc.,** showed net profit of $1.39 per share on the common stock after a provision for depreciation and taxes and preferred dividend. This compares with 49¢ a share for the corresponding period a year ago when no provision was made for Federal taxes due to the fact that a refund on 1941 taxes was more than sufficient to offset taxes for 1943. Net sales of $19,753,489 for the first half of the year showed an increase of $861,814 over the first six months of 1943. War contracts amounted to approximately 71% of the total sales.

The company is the largest single producer of blankets for the armed forces. Their most recent contract is for 300,000 O. D. wool army blankets. Completion of this order will bring the total production of blankets over 5,000,000. Sleeping bags are turned out in large quantities, the latest allotment of wool for this purpose being more than sufficient to produce 300,000 such bags.

* * *

Graham H. Anthony, President of **Colt's Patent Fire Arms Manufacturing Co.,** recently announced the sale of their electrical division to the Federal Electrical Products Co. of Newark, N. J. Output of this division includes heavy industrial switches, circuit breakers, panel boards and service equipment.

Colt's Patent Fire Arms Manufacturing Co. has been instructed by the Springfield Ordnance District to step up its production of .45 caliber automatic pistols. The armed forces are in a position to utilize maximum production of this weapon.

* * *

The decision of Pratt, Read & Co. of Deep River to discontinue its reconversion to peacetime work will hold back piano production in the entire nation as this company is the sole source of supply of piano keys and action mechanisms in the country. With costs increased approximately 35%, the refusal of the OPA to lower ceiling prices of pianos has made profitable operations impossible, and until this controversy can be settled the plant will close down.

* * *

The Navy Department in Washington recently announced that there would be a cutback in submarine production due to the fact that fewer submarines had been lost than had been anticipated and that the need for other types of ships was greater. To what extent this will affect the **Electric Boat Co.** of Groton may not yet be determined, but present indications are that the company will produce submarines through 1946. The current rate is two "subs" a month.

* * *

Peck, Stow & Wilcox showed gross profit of $918,939.88 for the fiscal year ended June 30, 1944. After depreciation of $66,109.48 and provision for taxes of $647,891.29, net income totaled $204,939.11 compared with $174,126 in the preceding fiscal year.

The company added $139,939 to surplus during the year and set up a $25,000 reserve for contingencies. The volume of sales was the greatest in the history of the company and surpassed the previous year's record by more than $1,500,000.

* * *

During the first six months of this year United Aircraft Corp.'s total sales were $419,925,815—26% ahead of the corresponding period of 1943. Net income, however, only showed an increase of approximately 4%, or $2.93 a share against $2.81 a share.

* * *

The Collins Co. of Collinsville earned $191,791 or $12.79 a share during the fiscal year ended May 31, 1944, as compared with $186,680 or $12.45 a share for the preceding fiscal year.

Markets for Dealers in:
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Am. Hardware
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Hartford Phone 7-3261
New York Phone HAnover 2-5537
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Connecticut Securities
Hartford 7-3191
New York:
BOwling Green 9-2211
Bell System Teletype: HF 365

Boston Traders Ass'n Gets Slate For Office

BOSTON, MASS. — The Nominating Committee of the Boston Securities Traders Association has made the following selection for officers and governors for next year, to be voted upon at the annual meeting scheduled for Sept. 26:

Walter J. Connolly

President: Walter J. Connolly, Walter J. Connolly & Co.

V.-President: A. N. Winslow, Jr., Perrin, West & Winslow.

Treasurer: Arthur E. Engdahl, Goldman, Sachs & Co.

Recording Secretary: James F. McCormick, Jr., Mixter & Co.

Corresponding Secretary: James R. Duffy, Paine, Webber, Jackson & Curtis.

Governor for one year term: H. R. Beacham, Josephthal & Co.

Governors for two year terms: John W. Altmeyer, Hayden, Stone & Co.; Herbert C. Smith, Blyth & Co., Inc.; and Sumner Wolley, Coffin & Burr, Inc.

Members of the Nominating Committee are: James B. Maguire, E. H. Rollins & Sons, Inc., chairman; William S. Prescott, Carver & Co., Inc.; William Burke, Jr., May & Gannon; William S. Duncklee, Brown Bros. & Harriman; and Ralph F. Carr, Ralph F. Carr & Co.

Securities Traders Outing Huge Success

DETROIT, MICH.—The members of the Securities Traders Association of Detroit and Michigan held their 1944 summer outing last week. A large attendance of members and out of town guests pronounced the affair a great success.

George C. Dillman of Harriman Ripley & Co., Incorporated, won the Director's Trophy in the Golf Tournament.

Among the unusually large number of out-of-town guests were: Edward E. Parsons, Jr., Wm. J. Mericka & Co.; Corwin L. Liston, Prescott and Company; Richard Gottron, Gillis, Russell and Company; Morton Cayne, Cayne, Ralston & Company, and C. J. Odenweller, regional director of the Securities and Exchange Commission, all from Cleveland. Oliver Goshia, Collin, Norton & Co., Toledo, was also present.

Ray P. Bernardi, Cray, McFawn & Co., is president of the Association.

Fahnestock Co. Opens Branch In Hartford

Fahnestock & Co., members of the New York Stock Exchange, announce the opening of a new branch office at 75 Pearl Street, Hartford, Conn., with Gordon C. Hurlbert as manager. The firm now has four branches in Connecticut, the others being located in New Haven, Torrington, and Waterbury.

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Michigan Brevities

Highlight of the financial news in Detroit in the last few weeks has been the purchase of virtual control of Graham-Paige Motors by Joseph Frazer, backed by Floyd Odlum and a New York syndicate for a reported $1,000,000 plus.

In brokerage circles here the runup in the stock from below 3 to $7 a share caused more consternation than enthusiasm.

Purely by coincidence, the Graham deal announcement coincided with the resignation from G. M. of the Fisher Brothers and every school teacher, housewife and factory worker rushed to buy Graham when rumors swept the city that the Fishers were interested.

While the Fishers seriously considered an official denial, they were deterred by the realization that such a denial would have to follow every such rumor from here on in and the rumor was only laid in its grave when Joseph Frazer stated flatly at his first press conference that no such move was in prospect.

Announcement that the SEC was investigating was welcomed by brokers who knew better than anyone else that it was public "hysteria" that carried the stock up rather than any planned manipulation.

* * *

Newest on the list of company officials to supplement "tax limited" salaries via the long-term capital gains route was Howard Colby, President of Tivoli Brewery.

Statement to stockholders said that Colby had been given an option on unissued company stock and can take up 10,000 shares a year at $3. The option runs for ten years and the stock is selling at $3.50.

Tivoli stockholders were told that Colby got the option to give him a greater interest in the company's welfare and to insure his remaining with the firm.

* * *

Charles G. Oakman, Detroit City Controller, will receive bids Aug. 28 for the purchase of $2,020,000 Detroit bonds.

* * *

Murray Corporation of America recently completed negotiations with the National Bank of Detroit for a $25,000,000 V-T revolving credit.

The credit, which is immediately available, will be used as needed to finance war orders held by the corporation.

* * *

The stockholders battle in the Detroit and Cleveland Navigation Co. was finally settled at a resumption of the annual meeting which was ordered by the court.

Two members of the minority group — from Cleveland — were elected to the board of directors. They were Frank C. Gee, chairman of the board of the First of Cleveland Corporation, and Ernest S. Dowd, President of Dowd-Feder Inc.

* * *

The Commercial and Financial Chronicle has learned from informed sources that there will be no immediate public financing by the Manufacturers National Bank of Detroit.

Brokers in both Detroit and New York have been angling for some time for this anticipated business which would constitute the sale of part of the late Edsel Ford's shares.

It has been learned, however, that a sizable block of the bank's stock was disposed of at a private sale, which makes further sale unnecessary at this time.

* * *

A special meeting of McCord Radiator stockholders has been called for September 12 to vote on a recapitalization plan and adoption of the abbreviated name to include the word "McCord."

Stockholders are asked to—

1. Authorize a change in the name of the present no par, class B stock to common stock and change the number of shares from 303,400 to 306,523.

2. Authorize an issue of 37,947 shares of new, no par, preferred carrying a rate of $2.50 cumulative and redeemable at $50 a share.

Under the recapitalization plan each class A holder will receive 1.4 shares of new preferred, plus one share of common for surrender of each class A share and all rights to accumulated unpaid dividends which aggregated $19.50 per share on Aug. 1.

Ins. Stock Interesting

Employers' Group Associates offers an attractive situation according to a detailed memorandum prepared by Mackubin, Legg & Company, 22 Light Street, Baltimore, Md., members of the New York Stock Exchange. Copies of this memorandum, and the latest issue of the Mackubin, Legg Insurance Stock Index, may be had from the firm upon request to the Insurance Stocks Department.

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Allman, Moreland & Co.
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DETROIT 26; MICH.
Teletype DE 75
Battle Creek Lansing

Senate Passes Reconversion And Unemployment Bill Sponsored By Senator George

Murray-Kilgore Measure Defeated By Vote Of 49-25

The Senate by a vote of 55 to 19, passed on Aug. 11 a "States rights" post-war reconversion and unemployment bill. The bill went through the Senate with the support of a Republican-Southern Democratic coalition, after the rejection, by a vote of 49 to 25, of the Murray-Kilgore measure setting up Federal standards of unemployment compensation. Both the George bill and the Murray-Kilgore measure were referred to in our issue of Aug. 10, page 600.

The bill passed by the Senate on Aug. 11 sets up an Office of War Mobilization and Reconversion under a Presidentially-appointed director to coordinate planning for the gigantic switch-back to a peacetime economy. We quote from Associated Press accounts from Washington, which also stated:

It embraces a provision extending post-war unemployment compensation coverage to 3,500,000 employees of the Government, in addition to the millions now covered, but leaves the fixing of rates to the States. Under it the Government would reimburse the States for payments to ex-Federal workers and set up a Federal fund to guarantee the solvency of State unemployment systems.

The rejection of the Murray-Kilgore bill, setting up a much broader Office of War Mobilization and Adjustment, came on an indirect vote by which the Senate substituted provisions of the George bill for sections of the rival measure which included the Federal jobless pay plan.

In an eleventh-hour effort to overcome opposition, the Murray-Kilgore bill proponents reduced from $35 to $25 a week the proposed maximum benefits payable under its terms.

But with the votes in their pockets and the White House keeping hands off, the opponents of the measure were in no mood for a compromise.

The George bill now goes to the House for action with indications that it will be referred to the Ways and Means Committee for consideration early next week.

It provides for a demobilization setup which sponsors, say carries out, recommendations of the Baruch-Hancock report drafted at the suggestion of President Roosevelt. The director of the new agency would work with an advisory board of 12 members, three each from industry, labor, agriculture and the public.

A joint committee of Congress would maintain a "continuous surveillance" over the demobilization program.

Absent from the bill were AFL-CIO proposals under which workers would be given six months' vocational education at Government expense with payments for subsistence while going to school.

Also missing were labor-proposed regional and industry advisory councils which Republicans said would mean "another NRA."

On Aug. 12 Senator Carl A. Hatch (Democrat) New Mexico, charged that a Republican minority which "has controlled the Senate for the last two years" refused to permit Senator George to work out a broader and more generous demobilization bill.

The United Press, in reporting this from Washington, added:

Senator Hatch, a Murray-Kilgore supporter, asserted that "for the last two years the Republican minority, aided by certain elements among the Democrats, has controlled the United State Senate."

He said Senator George "has a complete understanding and comprehension of the conditions which require a broader and more effective consideration" than his bill would permit.

"Had Senator George been permitted to by the Republicans who supported his bill," Senator Hatch said, "he would have worked out a compromise. But supported as he was by the entire Republican side, he was unable to do so."

Told of Senator Hatch's comment, Senator George remarked that he had "no desire to enter upon a controversy on the philosophy projected in the Murray-Kilgore bill."

On Aug. 10 Senator Taft (Republican) criticized as "fundamentally wrong" what he said were attempts by sponsors of the Murray - Kilgore demobilization bill to provide post-war benefits to war workers on a par with those provided for soldiers and sailors. In part, the Associated Press advices of that date also said:

"I cannot see a parallel between soldiers and sailors serving at $50 a month and others receiving high wages in war industry," Mr. Taft told the Senate in urging defeat of the CIO-supported measure under which discharged war workers would receive up to $35 a week in unemployment compensation.

* * *

Estimating that the George proposal would cost "something less than $1,000,000,000," as against "at least $15,000,000,000" for the Murray-Kilgore proposal, Senator Taft said the tax burden under the latter would be so heavy that "it would gradually destroy private enterprise and we would be forced into State socialism."

New Deal Senator Pepper (Dem., Fla.) replying, declared that it is not the profits of the corporations, "but the purchasing power of a nation at work that is the recipe for prosperity."

He declared that unemployment and other provisions of the Murray-Kilgore bill would prevent a costly depression by stimulating production and purchasing power.

The Senate shouted down a motion by Senator Aiken (Rep., Vt.) to recommit both bills to committee on the ground that both ignored "post-war security for the American farmer."

Arbitrage Situation

With the acceptance by the Interstate Commerce Commission of the reorganization plan for Seaboard Air Line, the issues offer attractive possibilities as an essentially arbitrage situation, according to a memorandum issued by Vilas & Hickey, 49 Wall Street, New York City, members of the New York Stock Exchange. Copies of this memorandum and a report on the continuing rise in railroad gross revenues may be had from Vilas & Hickey upon request.

New York Stock Exchange Weekly Firm Changes

The New York Stock Exchange has announced the following firm changes:

Alfred J. Duff retired from partnership in Arrowsmith, Post & Welch, New York, on Aug. 4.

Frazier Jelke To Admit

George Jordan will become a partner in Frazier Jelke & Co., 40 Wall Street, New York City, members of the New York Stock Exchange, on Sept. 1.

News Review

The current issue of Huff, Geyer & Hecht's "News Review" contains interesting data on various insurance and bank stocks, including a table of comparative values of certain bank stocks. Copies of this interesting release may be had upon request from

Steel Products Engineering
Marathon Corporation
Universal Match Company
Chicago & Southern Airlines
Midcontinent Airlines
Missouri Kansas Pipe Line
Southwestern Public Service common
St. Louis Public Service Class "A"
Kansas City Public Service pfd. & common

Bought — Sold — Quoted

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BELL TELETYPE SL 456 St. Louis 2, Mo. GARFIELD 0225 L. D. 123

Missouri Brevities

Chester, Illinois Toll Bridge

Reflecting the collapse of two spans of the bridge during an electrical storm July 29, 1944, **City of Chester, Illinois 4% Toll Bridge Revenue Bonds due September 1, 1965** have dropped from a trading range of 89 - 91 flat to a present bid price of around 40 flat. However, bondholders have been reluctant to sell at this level and no trades have been reported by local dealers. There are $1,385,000 of bonds outstanding on which interest was defaulted March 1, 1944. "All risk" insurance (with a 2% deductible clause) was carried on the bridge in an amount equal to the construction cost. It has been reported that the insurance company has assumed the liability for rebuilding the two spans (estimated cost $400,000 to $450,000), but has not assumed the expense of removing the steel from the river. The Bridge Commission also carried "use and occupancy" insurance, effective after seven days, providing a maximum payment of $75,000. Present estimates indicate that the bridge is not likely to be ready for traffic again until April 1, 1945.

Meantime, in order to keep traffic from being diverted from the area, a contract has been let to provide ferry service at the site. Funds available for debt service in the six months ended June 30, 1944, amounted to $12,998 compared with half year interest requirements of $27,700.

Hussmann-Ligonier Earnings

Hussmann - Ligonier stockholders were cheered by the company's resumption of profitable operations during the first half of 1944 when net earnings totaled $132,525, equal to $0.69 per share on the common stock after preferred dividends, compared with a deficit of $15,758 in the corresponding period of 1943. Net sales increased 12%. Reflecting this improvement, the common stock has recovered sharply to its present trading range of 10-11.

Activities of St. Louis Dealers

Reinholdt and Gardner, in a leaflet recently distributed to their clients, call attention to the importance of the "over-the-counter" market and the fact that many interesting investment opportunities are available in unlisted securities. A total of 43 issues are included in the tabulation. Copies are available to dealers.

Scherck, Richter Company have issued an interesting analysis of Panhandle Eastern Pipe Line. Copies are available to dealers.

St. Louis Traders Will Attend NSTA Annual Meeting

Numerous early reservations give assurance that the **Security Traders Club of St. Louis** will be well represented at the **Annual Meeting of the NSTA to be held Aug. 25 and Aug. 26 at the Palmer House, Chicago.** Among those already signed up are the following:

Firmin Fusz, Ray Denyven, Fusz, Schmelzle & Co.; Bert Horning, Stifel, Nicolaus & Co.; Joe Petersen, Eckhardt - Petersen & Co.; Emmet Byrne, Robert Walsh, Jerry Tegeler, Dempsey-Tegeler & Co.; Henry Richter, Gordon Scherck, Scherck, Richter Co.; Richard Walsh, Newhard, Cook & Co.; Clarence

(Continued on page 696)

Ins. Stocks Attractive

White & Company, Mississippi Valley Trust Building, are distributing an interesting circular outlining the attractions of fire and casualty insurance stocks, copies of which may be had from the firm upon request.

Also available for distribution is a very attractive and complete report on Maryland Casualty Company, the cover of which is a composite half-tone reproduction of the national advertising done by this company. White & Company believes that this piece of literature will act as a decided sales stimulant to those dealers who wish to distribute the only really speculative security contained in the fire and casualty list.

Copies of this circular and a memorandum on Mid-Continent Airlines will be sent by White & Company for the asking.

Mid - Continent Airlines

Circular on request

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L. D. 208 St. L. 499

Customers Brokers Nominate Officers

Richard G. Horn of Peter P. McDermott & Co. has been nominated for the presidency of the Association of Customers Brokers. Donald C. Blanke was nominated for vice-president; Archie F. Harris, secretary; John A. Hevey, treasurer; Robert J. Davidson, Spencer Phillips, Richard Ross, and John Duff, for four-year terms on the executive committee; John S. McLain and Frank Saline for one-year terms on the executive committee.

The Association's annual election will be held on Sept. 13.

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Bank and Insurance Stocks

This Week—Insurance Stocks

By E. A. VAN DEUSEN

About this time of year it is possible to pause and appraise the current trend of the insurance business as revealed by such mid-year statements of insurance companies as have thus far been released.

Casualty companies are reporting profitable operations in the first six months on an increasing volume of premium business. Nine leading stock casualty companies, for example, show an average increase of approximately 14.7% in premium volume for the first six months of 1944 compared with the similar period last year, as shown in the accompanying table:

Company—	Net Premium Volume First 6 Months, 1944	% Increase Over First 6 Months, 1943
*Century Indemnity	$5,082,000	11.9%
Fidelity & Deposit	5,833,000	4.4
Home Indemnity	2,610,000	14.8
Manufacturers Casualty	3,365,000	47.2
Massachusetts Bonding	9,288,000	7.0
National Casualty	2,859,000	22.7
U. S. Casualty	4,354,000	8.5
U. S. Fidelity & Guaranty	23,947,000	5.9
U. S. Guarantee	2,884,000	9.6
Average		14.7%

*Owned by Aetna Insurance Co.

Each company in the group reports favorable underwriting results and net investment income in the face of heavy war-time taxation. Compared with the 1943 year-end, admitted assets and surplus are substantially higher in each instance.

Very few fire insurance companies' reports have yet been released. The first mid-year statement to appear was that of St Paul Fire & Marine, which shows net premium writings for the first six months to have been $10,590,021, a gain of 15% over the first half of 1943. The company reports that satisfactory operating results were experienced, despite heavier taxes. Consolidated net operating profits, including those of affiliates, are reported at $2.27 per share, compared with $2.26 for the same period last year.

Continental Insurance Co. reports net premium writings at $15,261,115, compared with $14,086,257 for the first half of 1943, a gain of 8.4%. Net adjusted operating profits for the six months, after taxes, are estimated to be $1.62 per share compared with $1.65 for the first half of last year.

Fidelity-Phenix Insurance Co. also reports a substantial gain in premium business, with a net premium volume of $11,925,274 against $11,295,852 for the first six months of 1943. This represents a gain of 5.6%. Total net adjusted operating profits, after taxes, are estimated at $1.85 per share, compared with $1.95 per share for the 1943 first half year.

Dividend coverage by Continental Insurance for the half year is 1.62 times, and for Fidelity-Phenix, 1.68 times.

One reason why net operating profits of the fire insurance companies for the first six months of 1944 are fractionally below those of the first half in 1943 is that there was a 12% increase in fire losses, as shown in the following tabulation:

MONTHLY FIRE LOSSES IN THE UNITED STATES
(Reported by National Board of Fire Underwriters)

	1943	1944	Increase
January	$27,733,000	$38,572,000	39.1%
February	33,175,000	38,280,000	15.4
March	39,214,000	39,084,000	—0.3
April	34,241,000	34,746,000	1.5
May	29,297,000	32,815,000	12.0
June	26,854,000	30,355,000	13.8
Total	$190,514,000	$214,052,000	12.4%

The increased tempo of industry under the pressure of the war effort, necessitating two and three shifts of workers and the employment of thousands of inexperienced men and women, and even boys and girls, has introduced an abnormally high degree of fire hazard which has been manifested in a substantial increase in fire losses since Pearl Harbor. It is reasonable to believe that the trend will be reversed as the war effort lessens and normal peacetime operations are resumed. Nevertheless, fire losses in the United States are expected to remain at a fairly high level, a fact which justifies and necessitates the continued existence of an active, alert, progressive and financially prosperous fire insurance industry.

Commenting on fire losses in the nation, a recent issue of Best's Insurance News has this to say: "Good progress has been made in fire prevention work but nevertheless many thousands of lives continue to be taken annually by fire. In addition there are huge property losses which for the current year are expected to exceed $400,000,000, many of which resulted from pure carelessness. This terrific toll will continue unabated until public indifference to the fundamental requirements of fire prevention is overcome."

With regard to the tragic circus fire at Hartford, Conn., on July 6, it is reported that fire insurance coverage in an amount exceeding $500,000 was carried by Fidelity-Phenix Fire Insurance Co., Glens Falls Insurance Co., Home Insurance Co. and Royal Insurance Co., Ltd.

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Predicts Sugar Rationing For Industrial Users Through 1945

(Continued from first page)

ments might be raised to 100% or even higher—but any opinion as to the percentage figure must be the rankest guesswork because of the very uncertain conditions surrounding supply. Our guess would be that the Government, in order to keep dissatisfaction at the lowest point possible under the circumstances, would try to increase the allotment at least to 100% of 1941 use—which would not take into account the normal increase in population or the return of soldiers to civilian life.

"In making clear our line of reasoning, we wish to bring out some salient points concerning the world sugar situation and the indicated supply picture for the United States during the next two years. First of all, we should observe that there is a world-wide shortage of sugar. As we pointed out in our study of March 27, 1944, approximately 40% of the world sugar-producing areas is either under Axis domination or has been crippled or destroyed. Of a world production of 29,478,000 tons in 1938-1939, 11,841,000 tons were produced in these areas. As an example of what this means, consider the case of Russia where a substantial part of the ability to produce sugar has been destroyed. There is every indication that Russia in the post-war period will be, until she rehabilitates her industry, a substantial purchaser of sugar in the world markets.

"Little news trickles out of Java and the Philippines, two important producers. We have recently learned, however, on good authority that sugar mills generally throughout the Philippines are intact. Yet it is recognized by Philippine sugar men that when and as the Japs are forced out of the Philippines, they may work a great deal of havoc, to say nothing of the possibilities that the sugar properties may become battlefields and thus be destroyed. One cannot talk with confidence, therefore, of a substantial flow of sugar from the Philippines except in terms of, say, two years or longer. The same observation may be applied with equal justice to Java.

"India is one of the world's greatest sugar producers in point of volume, but, as you know, India normally consumes her own production, and will not become an important exporting country unless prices in other countries should rise so phenomenally high that she would feel impelled to sell. We believe, however, that India in the next several years will not become an important exporter of sugar because we do not expect prices high enough to induce her to part with her sugar.

"Australia, a substantial producer of sugar (in 1938-1939, she produced 834,000 long tons, raw value, of which she consumed approximately 350,000 tons—the balance of which was shipped chiefly to the United Kingdom and Canada) has lost much ground during the past few years as the result of the war. Indications are that her 1943-44 crop will run only a little over 520,000 tons, which leaves relatively very little for export, especially considering the fact that she must supply our troops in Australia and other areas.

"As for the European situation, the sugar world is very much in the dark as to conditions at present. Europe (including Russia) prior to the war produced 8,590,000 long tons and consumed 11,783,000 tons. It has not been getting enough fertilizer. Labor is scarce. For five years, only essential repairs have been made to the factories. Much of the territory has been bombed relentlessly. We might also state that the European sugar industry has suffered tremendously from the lack of skilled technical men, as many of these have been drawn into the armies of Europe. It is reasonable, therefore, to assume that whenever the war ends in Europe there will be a tremendous amount of work to be done to rehabilitate the fields and sugar factories.

"Considering, then, the principal areas outside of the Western Hemisphere (we have only attempted to review briefly the probable situations in the major sugar-producing areas), it will be seen that the sugar picture is anything but a bright one and that it will take a long time to balance consumption and production, certainly two or more years from the time hostilities cease in Europe.

"Let us consider the situation in the Western Hemisphere. Comparing total *normal* production of the Western Hemisphere with consumption, we have this picture: In 1938-1939, the Western Hemisphere produced 10,326,000 tons and consumed 9,157,000 tons, the major portion of the balance being sold in the world market. A substantial part of that balance went to the United Kingdom. Obviously, the Western Hemisphere in normal times is self-supporting as far as sugar is concerned. It is not a net importing area.

"The war has naturally brought about a disruption of the normal trade routes and a shifting in movement, with the result that we in the United States can no longer depend upon the regular amount of sugar from our normal supplying areas. Lend-lease, this year, will probably take from the Western Hemisphere an amount in the neighborhood of 700,000 tons. This will probably be increased in 1945, further aggravating our supply picture. And bear in mind we are not normally an important sugar exporting country. To illustrate, in the 700,000 tons mentioned, about 150,000 tons are going to North and West Africa, which areas normally imported 300,000 tons annually. Then too, under the UNRRA program, it is reasonable to assume that after the first flush of victory, substantial quantities of sugar will be moved to the freed nations of Europe. A large part of it will undoubtedly come from us or our normal areas of supply. Our armed forces this year will consume something in the neighborhood of 800,000 tons. Although, obviously, these men would have been fed if they were home, it is well known that in the army their sugar consumption is stepped up. Some estimates indicate that on a per capita basis they will consume 135 pounds as compared with the normal civilian figure of a little over 100 pounds per capita.

"In the foregoing we have attempted to show that there is a world shortage of sugar, that the normal supplies of the United States are being encroached upon, and that this will continue for at least two years more.

"We have not as yet discussed the production potentialities of the several areas supplying the United States. This, of course, is an extremely important subject. As you know, the beet crop in 1943 was a disasterous failure, amounting to 853,000 long tons, raw value, as compared with 1,543,000 tons in the preceding campaign. The current crop will probably not exceed last year's crop by more than 100,000 tons. As to beet production in 1945, it is too early to make an estimate. Much will depend on Government cooperation in the matter of price, farm labor supply, competing crops, etc. It is safe to say that it will not reach record proportions.

"Normally, Puerto Rico produces around 900,000 long tons per annum, of which we receive all, after allowing for local consumption. This year her production is 647,000 tons, or a loss of over 250,000 tons. Puerto Rico has many problems, i.e., politics, labor, scarcity of the right kind of fertilizer, etc. We cannot, therefore, be optimistic at this time as to improvement in Puerto Rican sugar production in 1945.

"Cuba this year produced 5,046,000 long tons, of which approximately 800,000 tons were in the form of high test molasses to be used for industrial purposes. This was an abnormally large crop, only 110,000 tons below her all-time record of 1928-29, when 5,156,000 tons were produced. This was only accomplished by her grinding every stalk of sugarcane standing in the fields. That there was so much sugarcane to grind was the result of enlarged plantings in 1942, which were not repeated in the same volume in 1943. For 1945, therefore, we estimate that Cuba will produce at least 10% less than she produced this year. Of course, it should be observed that there may not be taken from the 1945 Cuban production as large a quantity of sugar for industrial purposes as was taken this year. To the degree that this is so, it will bolster the sugar supply available for industrial users and the public in the United States.

"We do not anticipate any material change in the production picture in Louisiana and Florida, either this year or next year.

"A word is in order on the subject of invisibles. Obviously, invisible supplies are infinitesimal today. Almost everybody is on a hand-to-mouth basis. In 1941, the invisible supply reached approximately 1,000,000 tons. With invisible supplies practically nil and with the production and supply picture generally uninspiring, it may be anticipated that our Government will find it necessary to maintain rationing until we have in sight sufficient supplies to take care of normal demands and the building up of invisibles in the hands of the trade.

"The foregoing will make clear the reasoning by which we reach the conclusion that industrial user

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sugar rationing will be maintained during the next year and a half or two years. We believe that under the conditions our estimate is conservative.

"As we see it, there is only one method by which this unfortunate dilemma may be improved, and that is for our Government to find ways and means of increasing sugar production. The most direct method and the one likely to produce the quickest results is to raise the price. We are fully in sympathy with the 'hold the line' order, but the situation may so develop as to present two alternatives: (1) more sugar and a higher price, or (2) much too little sugar at the present price.

"We mention this situation because the decisions taken in connection with it will have a most important effect on the duration of rationing and the allotments given industrial users."

How Will Germany's Defeat Affect Market?

(Continued from page 682)

the previous day; a week later it was three points higher, and two weeks later six points higher, reaching a new high on July 10 at 150.50.

This Average is now fluctuating in the neighborhood of 145, and for the near-term we look for a trading range of from 143 to 150. If when the peace news comes the market is at the lower level of this range, we anticipate a reaction hardly any greater than occurred on the invasion news, followed by steady absorption of stocks by the plethora of funds seeking investment.

If the peace news should come with the market at the higher level or after it has enjoyed a further advance, a more substantial relapse would be likely. On the other hand, if in the meantime the market should have worked lower to any material extent, in all probability a rally would be seen.

The Factor of Reconversion Progress

The conversion of industrial production to war purposes was expedited by Government orders and was accomplished rapidly. The same urgent and patriotic atmosphere does not apply to the reconversion process. There has been sharp difference of opinion between the military authorities and the War Production Board on the subject of the desirability of allowing reconversion to begin.

The controversy was ended with the preparation of four WPB orders to go into effect as follows: July 15, aluminum and magnesium released; July 22, making of experimental models permitted; July 29, placing of machine tool and manufacturing machinery orders approved; and Aug. 15, limited civilian manufacture allowed to begin, provided that it does not interfere with necessary war production.

While industry has made plans for reconversion, the Government so far has not acted with the same celerity. Legislation is still to be enacted on the orderly disposal of war surplus materials and on demobilization unemployment compensation. Much will depend, therefore, on the progress that has been made in reconversion by the time Germany admits defeat. If necessary legislation has been enacted and satisfactory progress has been accomplished, it should act as a cushion against whatever immediate shock the news of peace produces in the minds of investors.

Bureaucracy a Possible Handicap

Even when an industry has finished its war production and apparently has been given the green light to resume production of civilian goods, it can still be handicapped by the heavy hand of bureaucracy. The piano industry, while relatively small, can serve as an illustration. The piano factories are motionless on the brink of reconversion, for the nation's only factory manufacturing piano keys and action mechanisms has been shut down because of what is termed the failure of the OPA to issue adequate ceiling price regulations, its ceiling prices being based on the maximums of March 1942 which, in view of a 35% rise in costs since that time, preclude profitable operation.

If similar conditions should obtain in other and more important industries, so that while ready themselves for reconversion they are prevented from operating profitably, the result could hardly fail to be a depressing influence on stock prices.

Peace news arriving before November might have a somewhat bullish influence on the theory that the Republican party's chances in the Presidential election would be improved if the European war were over.

Conclusion

The end of the war with Germany is visible in the near future, and in our opinion the action of the market will be largely dependent on its technical position at the time. If the news comes with prices in the neighborhood of the prevailing level (145), a slight and temporary reaction can be expected, which would be more substantial from a higher level (150 or more), while from a lower range of prices (143 or below) a rally would be logical. Much may depend on the extent to which reconversion is being accomplished efficiently and profitably within OPA price ceilings. After the initial impact of the news is absorbed, we feel that the long-term effect cannot be other than constructive.— From "Investment Timing," issued by the Economics & Investment Dept. of the National Securities & Research Corporation.

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Canadian Securities

By BRUCE WILLIAMS

Events in Canada continue to confound the prophets of gloom and disaster. Since the Saskatchewan elections when the complacency in Canadian financial quarters was rudely disturbed by the sweeping C. C. F. gains in that province, there has been a tendency towards pessimistic forebodings in every direction.

The C. C. F. victory in Saskatchewan, the birthplace of the movement, was always a distinct possibility, just as it was predicted in this column that the well organized Social Credit party in Alberta should emerge triumphantly. In Quebec, again the party best organized provincially gained the day, and despite fearful prognostications, the French Canadian electorate once more showed its conservatism and completely rejected the extremist Bloc Populaire.

Thus, with all the alarmist forecasts to the contrary, the people of Canada have clearly demonstrated that, given a practical alternative, they will readily ignore the C. C. F. What happended to the C. C. F. in Alberta where it was confidently anticipated that the party would sweep the province? The expected pairie fire movement proved to be a very damp squib — two C. C. F. members elected—and in Quebec, that solid bulwark against all forms of extremism, one seat only, and this not in one of the wide-spread industrial areas where it would not have been surprising to see the C. C. F. make some headway.

The immediate political outlook, therefore, is decidedly clearer and it now seems certain that there will be no Federal elections until after the war. It would also appear that the chances of Mr. King to continue in power are now decidedly improved. The key province of Quebec with its 65 seats in the House of Commons should continue to support its best friend outside the province and the Union Nationale is a provincial and not a Federal party.

Mr. John Bracken, the Progressive Conservative leader, has failed to make any headway and his failure to seek representation in the House of Commons has contributed in no small degree to the decline in popularity of the Conservative party.

Mr. King, who is the most astute politician in the Dominion, will not fail to capitalize on the present C. C. F. debacle, and the Family Allowances Act recently passed in the Canadian Parliament is indicative of the fact that the King Government is effectively stealing the socialistic thunder of the C. C. F. A further proof of the strength of the present Administration is the final passage by a vote of 84 to 6 of Mr. Ilsley's bill to amend the Bank Act and to extend for another ten years the charters of the banks.

As was to be expected, in view of the beneficial clarification of the political atmosphere, the market during the past week ceased to drag and in many sections registered definite improvement. The long-term Canadian Nationals which have recently been pressed for sale were no longer in supply and prices improved about a ½ point.

Albertas strengthened nearly 2 points and it appears that past predictions concerning the early refunding of the provincial debt are now well on the way to fulfillment. Before the elections, the Social Credit party leaders gave considerable publicity to their efforts in this direction and they can now consider that they have a mandate from the electorate to implement their proposals. Should this be finally consummated, the only remaining blemish on the Canadian financial record will thus be removed.

Internal issues continued in supply and the Canadian dollar in the "free market" was still offered at 9⅞% discount. Now that Canada no longer enjoys the benefit of the Hyde Park Agreement and has largely utilized her surplus U. S. dollar balances in payment for various war installations built by us within the Dominion, the question of the Canadian dollar returning to parity seems to be definitely deferred at least until after the war.

Meanwhile, there will be a further supply of Canadian exchange in the free market resulting from the payment of the 4½% Dominion Refunding Loan due next October 15 and the probable call on the same date of the 3½% Refunding Loan of Oct. 15, 1949, which issues are both fairly widely held in this country.

With regard to possible future market developments, there is no doubt that the technical position is now definitely strong. In addition to the steady liquidation that has taken place due to political uncertainties, the supply of external bonds from Canada is becoming increasingly limited and the recent private refunding of $18,325,000 Ontario 4½s of Sept. 1, 1944, introduces a difficult replacement problem.

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Heavy Munitions Production In Canada

"Intensive production of the munitions of war continues to dominate the industrial scene in Canada, with the Government's program calling for still greater expenditures on military account as the war approaches its climax," said the Bank of Montreal in its July 22 Business Summary, in which it also stated: "The effect of the continuing high level of Government expenditure is increasingly evident upon domestic trade, the dollar volume of which is substantially greater than at this time last year, despite shortages of labor and materials. Holiday resorts are crowded and passenger traffic is taxing the capacity both of railways and of inland steamship lines. Freight traffic, too, continues in great volume. In June, railway loadings of revenue freight were at an all-time high, the total being 9,451,000 tons, as compared with 9,364,000 tons in the previous month and 11.4% higher than the total for the corresponding month of last year. For the first half of this year the cumulative total was 52,144,000 tons, an increase of 10% over the total for the first six months of 1943. The total in the pre-war comparison of the first six months of 1939 was 27,796,000 tons."

Good Crop Yields Forecast

The Bank of Montreal in its Business Summary July 22 stated that "reports from all sections of the Dominion forecast good yields, in the aggregate, of the majority of the principal field crops." "In the Maritime Provinces and in Quebec the hay crop is short owing to dry weather, but cereals and other crops are making good progress," said the bank, which added: "In Ontario, as a whole, crop prospects are for average or better-than-average yields. In the Prairie Provinces the previous favorable weather conditions have been well maintained by timely rains and good growing weather, and although in dry areas in southern Alberta and south-west and west-central Saskatchewan yields will be low, good yields, on the whole, are in prospect, the outlook being particularly good in Manitoba, where a start is expected on wheat-cutting before the end of the month. Reports indicate that crops are two weeks ahead of last year's condition at the same date. All crops in British Columbia are reported to be satisfactory."

Superior Rights For Inferiors

(Continued from page 683)

to an equally insane line of thinking. According to this new doctrine, since all persons must be regarded as equal, those who are in obviously inferior positions must be given superior rights so that they can maintain their claimed equality with their actual superiors.

Equality

1. Let us have a few moments of sane discussion of "equality."

If this is to be "the century of the common man," let us understand whether we intend to glorify the common man by enlarging his opportunity to advance himself, or by preventing any uncommon man from achieving more than mediocrity.

No one has ever been fool enough to claim that all persons are equal in mental or physical power. Every shade of brain power from imbecile to scientific genius, every variety of muscular skill from clumsy plodder to deft mechanic or agile athlete, provides proof positive of inequalities in capacity. But there is a democratic principle of equality of opportunity which is sane and logical. The whole virtue of this principle is: Let inequality be demonstrated and determined as a fact. Do not impose an artificial inequality **by law**, either as a birthright or a special privilege. The purpose of "equality before the law" is not to create or maintain a fictitious equality, but to establish social and economic **inequalities** on the basis of genuine differences.

How absurd to compete for prizes and then take them away and deny credit to the winners so as to maintain the silly pretense that all contestants were equally good!

The claim of a "master race" or a "superior people" is fraudulent. Biological and anthropological science, and historical knowledge, prove the claim a fraud. But some individuals are superior; and it is entirely reasonable to claim that some communities or nations are, as a whole, superior to others, as a whole. Of course the claim may be disputed. But faith in oneself and one's companions is essential to progress. We must believe that in some ways our course and our results are better. Otherwise thinking and planning become sterile.

Then there are inequalities of position which give at times superior rights to persons who may be inferior to their subordinates in a hundred ways, but whose temporary superiority of position must be recognized. The traffic policeman has a superior right to tell you where and when to move. The salesman, behind his counter, has one superior right over the customer. He is in control of the goods and the cash register. The works manager or the foreman has a superior right over the wage-earner to direct what work shall be done and how and when. None of these superior rights makes the other party inferior except to the extent that he is actually in an inferior position. The automobile driver is only subject to the policeman's orders when he comes within the sphere of his authority. The customer is only inferior to the salesman on one side of the counter. The worker may have equal or superior rights in bargaining, in fixing the terms of his employment. But the management must have, and be free to exercise, a superiority in bossing the job. To give the inferior position a superior right of control is worse than wrong. It is ridiculous.

Freedom

2. Now consider "freedom." Real freedom isn't an absolute right. It is the **product** of self-control. The "freedom" of an irresponsible person is like the liberty of a child. It can be only a strictly limited freedom, regulated by a superior who accepts responsibility for the child's conduct and welfare. When people seek liberty without self-discipline, only a paternalistic, tyrannical government can take care of them.

Justice

3. Justice for all people does not include forgiveness of wrongdoing. If no one paid a penalty for wrong, there would be anarchy and increasing rewards of evil. If only **some** are forgiven, that means injustice to those who **are** punished. There must be rules of penalty and compensation for wrong which **are enforced** universally. A modern tendency to find social responsibility for all bad conduct is a denial of justice to the law-abiding. This does infinite harm to weak, anti-social persons. They are encouraged in wrong—just as doles encourage idleness.

(1) We have gone too far in seeking unearned "freedom," because of the persistence of tyranny.

(2) We have gone too far in seeking unearned "equality," because of the persistence of oppression and inherited handicaps.

(3) We have done too far in seeking unearned "justice," because of the persistence of so much avoidable injustice.

But, now we are facing the great evils of an attempt to establish an all responsible government for an rresponsible people. It simply cannot be done. A perfect example of this vain effort is provided by the present confused relations of government, management, and labor.

Government, Management, and Labor

For many years, labor leaders sought to restrain the autocratic powers of management by creating a counteracting or balancing power in labor unions. The main effort was to build up the economic strength of organized men to equal the economic strength of organized money. In this struggle, government for a long time gave potent aid to management, because of the public duty to preserve law and order and to protect property rights.

A Major Blunder

Then organized labor began to mobilize its political power—the voting strength of the masses. Government became the ally of the workers and an active force to restrict and weaken the economic power of management. **Right here began a major blunder in public policy.** The creation or the grant of power without corresponding responsibility is an economic or political sin. Any sound plan for economic or political progress must avoid this evil.

A glaring weakness in our capitalistic economy had been the irresponsible power of organized money. As the minor power of a millionaire had grown into the major power of a billion dollar corporation, there had been no corresponding increase of social obligations. Yet self-preservation **did** impose upon this money power a strong interest in order and discipline, and a moderate, even though a secondary, interest in the general welfare.

But, when government lent its great aid to increasing the economic strength of the workers, it tolerated and actually encouraged a private interest in disorder and disregard for the general welfare. It created and sustained a legalized right in the workers to disorganize production and distribution as the way to self-advancement. Management was not merely forbidden to interfere with labor organization, but was made legally helpless to boss the job and to insure the fulfillment of the public duties of private enterprise.

As a result, in order to meet its

(Continued on page 696)

A Message to America

from

DR. THOMAS PARRAN

Surgeon-General, U. S. Public Health Service

CONCERNING THE FUTURE OF AMERICA'S SERVICEMEN

As broadcast over C. B. S., on the Schenley Laboratories' program, "THE DOCTOR FIGHTS"

"AMONG every 100 men who are wounded in battle and reach a hospital, 97 will live, according to Surgeon-General Kirk of the U. S. Army.

This means that most of our heroic servicemen will come back alive — not necessarily whole. Blood plasma, the sulfa drugs and penicillin, in addition to other medical discoveries since the last war, are saving a large proportion of the most seriously injured men.

We have a special responsibility to these men we love who come back with permanent handicaps. Our doctors have preserved their lives. It is for us to see that they live in liberty and the pursuit of happiness. Each of us must receive our returned soldier with pride, neither repelled by, nor over-solicitous as to his injury. Most of his anxiety about it will stem from worry about its effect upon us and upon his chances for livelihood. We must convince him, and prove it by our actions, that he has the capacity to be useful and happy.

From what I have seen in our Army, Navy and Public Health Service Hospitals, very few handicapped men want to become the permanent wards of the Government and spend the rest of their days in idleness. They have worked hard. They have stood on their feet and slugged it out with the enemy. They have endured more than they dreamed it was possible to endure. They will ask of us—and they will have every right to ask—useful work which they are mentally and physically able to do.

Industry, however, needs to retool its thinking before retooling its machinery for postwar production. In the past, men have been ruled by the needs of the machine. After the war, jobs, tools, machines and national planning must be fitted to the men who fought to preserve the nation.

There is another thing to consider: Many of our fighting men have learned new skills. So far as is humanly possible, they should go on from there. Men who have learned the intricacies of radar will not be satisfied peddling magazine subscriptions. Men who have flown bombers will not be happy untangling red tape. Men who have learned to build and use the lightning calculators used in anti-aircraft fire will not accept with grace a job pushing buttons on an electric elevator.

The end of the war may be near or far away. The world that follows the war will be what we choose to make it, beginning now. Certainly it will be different. We must adapt a rich and vigorous part of that changed world for the participation of those men who have returned and will in increasing numbers return from the battlefronts, broken, perhaps, of body but high of heart."

(reprinted as a public service)

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"Competent management is worth more than its modest cost."

That is the conclusion which **Hugh W. Long & Co.** reaches in a new folder on **Fundamental Investors** entitled "A Good Story Gets Better." The story is about a $500,000 order from a large estate which this sponsor did not get. Instead the money was placed in a list of 20 "Blue Chip" common stocks by the estate managers.

That was 3½ years ago. What has happened since? The $500,000 investment is now worth $554,476.07 as against $703,676.16 had the original investment been made in Fundamental Investors instead of the "Blue Chip" common stocks.

The net advantage scored by Fundamental Investors on the original investment of $500,000 over the 3½-year period, amounted to $149,200.09. Interestingly enough, the income from Fundamental Investors over this period was almost exactly the same as that received from the list of common stocks—$89,044.16 for Fundamental, as compared with $89,253.58 for the "Blue Chip" list.

* * *

The Parker Corporation has issued a dignified, attractive folder entitled "10 Reasons For Owning Shares of **Incorporated Investors.**" We handed this folder to a fellow-commuter coming in on the train—a man not connected with the financial field. His comment was: "This sounds like a good thing to me."

* * *

Distributors Group has just published a new edition of its basic booklet describing **Group Securities, Inc.,** outlining the investment policies pursued, and showing the record achieved. The booklet is entitled "Group Investing in Undervalued Securities," and from the standpoint of both layout and content it is a strikingly "different" piece of literature.

* * *

National Securities & Research Corp. makes an interesting analysis of the big question mark of the present—"How Will Germany's Defeat Affect the Market?" This discussion is contained in the current issue of **Investment Timing.** The conclusion is divided into three parts, depending upon the prevailing level of the market at the time of Germany's defeat.

"If the news comes with prices in the neighborhood of the prevailing levels (145) a slight and temporary reaction can be expected, which would be more substantial from a higher level (150 or more), while from a lower range of prices (143 or below) a rally would be logical. . . . After the initial impact of the news is absorbed, we feel that the long-term effect cannot be other than constructive."

* * *

A simple and convincing exposition of the "Indestructibility of the Class" is presented in the current issue of **Keystone Corp.'s Keynotes.**

The 12 original stocks in the Dow-Jones Industrial Average are listed to show what may happen to even the best of individual issues. Only two of those original 12 stocks are still in the Average, but high-grade stocks as a class remain, and the Dow-Jones Industrial Average, by the process of making substitutions whenever necessary, also remains—providing a reliable picture of the price movement of industrial stocks.

"The issues within each class change — just as the Dow-Jones Industrial Average has changed since 1900 — but the classes are always there. They are indestructible."

* * *

We've noticed steady improvement in mutual fund prospectuses in recent years. However, the best job, from a selling presentation standpoint, which has come to our attention is the new prospectus on **Investors Mutual.** It is tops in attractive layout and inviting readability.

Continuing to stress the need for careful analysis in security selection, **Lord, Abbett** has reprinted in the current issue of **Abstracts** a recent editorial by Ralph Hendershot, Financial Editor of the New York "World-Telegram." The gist of this editorial is defined in the title: "Careful Analysis Essential in Buying Stocks — War Has Brought Big Changes — Pre-War Success No Guide."

Mutual Fund Literature

Distributors Group—The current monthly **Investment Report** on **Group Securities, Inc.;** current portfolio folders on **Low Priced Shares, Railroad (Bond) Shares** and **General Bond Shares. . . . Parker Corp.**—A new prospectus on **Incorporated Investors; Keystone Corp.** — A revision of the folder, "Information for Trustees, Trust Officers, Bankers, Institutions, Corporations," on **Keystone Bond Fund B-1;** a new supplemental prospectus on **Keystone Preferred Stock Fund K-2. . . . Hugh W. Long & Co.**—A current portfolio folder on **Manhattan Bond Fund. . . . Selected Investment Co.** — A current portfolio memorandum on **Selected American Shares** and a list of additional purchases for their own account by directors of that Fund. . . . **Hare's Ltd.**—A folder "Fire Insurance After Two Wars" and a revision of the folder discussing the possibilities of a trading position in the various groups of **Institutional Securities, Ltd. . . . Eaton & Howard, Inc.**—A new prospectus on **Eaton & Howard Balanced Fund.**

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Institutional Securities, Ltd. — A dividend of 2¾c per share payable Sept. 30, 1944, on **Bank Group Shares** to holders of record Aug. 31, 1944.

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A Class of Group Securities, Inc.

Prospectus on Request

DISTRIBUTORS GROUP, INCORPORATED
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Mary F. Henderson will be admitted to a limited partnership in Charles F. Henderson & Sons, 29 Broadway, New York City, members of the New York Stock Exchange, on Sept. 1.

Wanted—Sales Executive Trust Funds

SALES volume in our nine trust funds is expanding rapidly. We wish to add to our staff an able assistant to Vice-President-in-Charge-of Sales. Applicant may now be with small individual trust fund lacking popularity, but he must be a sales executive and should have experience in preparing sales material in trust fund field and contacting dealers and salesmen. A real opportunity for the right man. Salary commensurate with experience, ability and results. Replies will be held strictly confidential. *Address Dept. 8-B, Post Office Box 26, Trinity Station, New York.*

Professor Fisher Lauds Outcome Of Bretton Woods Conference

Editor, The Commercial & Financial Chronicle:

My main comment on the Bretton Woods conference is one of rejoicing that at last an international monetary and economic conference has made a fine record, and of hopefulness that its proposals will be accepted without change by all the signatory nations.

I have no doubt that any economist can find faults. But after all of the painstaking efforts in good faith to work out an acceptable set of plans no possible good service could be served by scrapping the finished product, which would almost inevitably be the result of trying now to amend it. Senator Taft, for instance, has had full opportunity to present his views at Bretton Woods and it is to be hoped that he will not, as some fear he may, try to induce the Senate to complain of "the final act." The Senate is not qualified to improve on what has run the gauntlet of the experts either before or at the Bretton Woods Conference. And even if they were so fitted and even if they should think, and be justified in thinking, that Uncle Sam would be carrying too big a share of the load, it would be better policy to assume the extra burden than to have nothing done at all.

Prof. Irving Fisher

For monetary stabilization is by far the most important economic problem today — the problem of preventing future inflation and deflation; and a close second is the problem of post-war international loans.

Personally, I find very little which I would take out of either plan. I could name some worthwhile additions. But the time for changes has gone by. The whole question is whether on the whole the plans should be accepted or should be rejected. There can be but one answer.

Sincerely,

IRVING FISHER.

New Haven, Conn., Aug. 11, 1944.

Superior Rights For Inferiors

(Continued from page 694)

own obligations to the general welfare, government was forced constantly to intervene as a peacemaker between the fighting forces of labor and management. Finally, in a time of war, government had to **beseech** the workers and to **order** the managers to work together in order to furnish essential supplies to the defenders of the nation, fighting against foreign enemies.

The present weaknesses in our political economy flow largely from this major blunder in public policy; our failure, as a government, to require that a legal obligation to serve the general welfare shall always rise to the level of any legalized power to affect the general welfare. This blunder has been partly cancelled in time of war by a temporary assertion of the supreme authority of military command. But, when military authority ends and only civil authority remains, we shall face the urgent choice between an impotent government, bewailing the civil warfare which has been encouraged by the great blunder, or a strong government which, regardless of Sewell Averys and John Lewises, will assert the supremacy of law and the public interest over the self-serving aggression of any government-defying private interest. (The motives of an Avery or a Lewis, however lofty, do not alter the fact that defiance and obstruction of constituted authority is a revolutionary act.)

Of course, in the future as in the past, any government will be denounced as Fascist or Communist or reactionary or radical, which demands that the law and the general welfare shall be upheld regardless of selfish demands for anarchistic freedom, fictitious equality and sentimental justice.

The cult of "Superior Rights for Inferiors" has many followers. Time-worn ideas of self-reliance, self-support and self-discipline do not appeal to a multitude of shirkers and leaners and borrowers and illiterates who cast their ballots in favor of the seductive program: "Let somebody take care of me today and let somebody else worry about tomorrow."

Demagogues may lead astray a host of weak-minded persons with the claim that democracy should bring to the masses an irresponsible freedom, an artificial superiority and a preferential justice. But I am confident that this idiot's dream will never become a dominating illusion in America. I believe that the majority of the American people are still faithful to the ideals of freedom under law, equality of opportunity, and justice without fear or favor. In that faith, the home front battle after the war should be won by those sane idealists upon whom the whole world must rely for any lasting victory in the world-wide war of liberation.

Missouri Brevities

(Continued from page 691)

Maender, Ken Hagemann, G. H. Walker & Co.

More are expected momentarily by Firmin Fusz, who is in charge of reservations.

Missouri Public Service Commission General Order No. 38

Utility managements with properties located in Missouri have been studying the effect of the Missouri Public Service Commission's recently issued General Order No. 38 which states that beginning Jan. 1, 1945, all electric, gas, water, telephone, telegraph and heating utilities under its jurisdiction must credit depreciation reserves with earnings at the rate of 5½% per annum. This, in effect, means that the present annual operating expense charge of each company for depreciation would be reduced by the amount of the 5½% credit thereby raising the "earnings available for return" by a corresponding amount.

Thus, if a company is now earning the 6½% rate permitted by the Commission, its rate of return would be raised by the amount of 5½% credit, thereby, making itself subject to possible rate reductions.

The theory on which the majority of the Commission bases its Order is that depreciation belongs to the consumer and the owners of the property are only entitled to a service charge of 1% (6½%-5¾%) for handling the reinvestment of depreciation funds. The Order was to become effective Aug. 17, 1944, however, representatives of the various water, gas and electric companies appeared before the Commission on Aug. 11 to enter protests and secured a 30-day extension. Miss Agnes Mae Wilson, one of the Commissioners, questioned order's validity.

Municipal News & Notes

North Carolina Governor Urges Provision Now For General Debt Redemption

North Carolina's general fund surplus, which stood at $57,648,870 on June 30, last, is likely to reach $75,000,000 by the close of the current fiscal year, on June 30, 1945, Governor J. Melville Broughton predicted recently. In discussing the surplus in relation to the State's outstanding debt, Governor Broughton said that the general sentiment is to set aside a sufficient amount of the surplus to offset the State's general fund bonded debt. This debt, he said, now totals in principal amount approximately $50,403,500, against which there is now a sinking fund of $6,241,000.

"It is regrettable," the Governor declared, "that this general fund bonded indebtedness cannot be paid off while money is on hand more than sufficient for such purpose. However, the bonds have no callable provision, and the only alternative is to set aside in a sinking fund specifically allocated for this purpose enough of the present surplus in its invested form to offset and be available for the payment of the general fund bonds. By this action, except for the difference in interest rate, this bonded indebtedness will be in effect retired. Such action will have a definitely stabilizing effect upon the credit and financial standing of the State. There should be no deviation from this course.

"With the general fund indebtedness thus disposed of, the State will be in a very satisfactory condition with respect to its other bonded indebtedness, which consists of highway bonds in a total amount of $55,855,000, less the sinking fund of $13,400,195, or a net highway indebtedness of $42,454,805. All highway bonds, payable in annual amounts and under present schedules of payment, these bonds will be retired completely in seven years. At the end of that period the State will have no outstanding bonded indebtedness whatsoever."

Continuing, Governor Broughton noted as follows:

"If the suggested plan of utilizing enough of the existing surplus to offset the general fund bonded indebtedness is followed, there will remain an estimated surplus of $35,000,000 at the end of this biennium. The utilization of this surplus would present to the general assembly three alternatives: Expansion of plant and facilities of State agencies and institutions where such need exists; supplementing the program of State services, including such new and additional programs as service to returning veterans and a comprehensive health and hospital program now being studied by a commission appointed for this purpose—tax reduction.

"The budget statement discloses a highway surplus of nearly $40,000,000. This is not in fact a surplus but merely a deferred maintenance account. Every dollar of this amount—and more—is needed immediately for improvements and extensoin of our highway system and would have been used already if materials had been available.

"It would be blind optimism to expect that revenues which have been abnormally increased by war conditions will continue after the war is over. There are already indications of declining trends in certain classifications of revenue. The general assembly will therefore wisely refrain from any unnecessary extravagant appropriations. North Carolina is on a financial basis unsurpassed by that of any State in the American Union and equalled by few."

Halsey, Stuart & Others Awarded Spokane Sch. Bonds

The issue of $3,400,000 building bonds offered Aug. 11 was awarded to a syndicate headed by Halsey, Stuart & Co., Inc., Chicago, and the First National Bank of Chicago, on their bid of 105.402, for various interest rates, a net interest cost to the district of about 1.2468%. The bonds mature annually from 1946 to 1967 and are being re-offered by successful group at prices to yield from 0.55% to 1.20%, according to maturity. The bonds are being issued for construction purposes and in the opinion of counsel will constitute valid and legally binding obligations of the district payable from ad valorem taxes levied upon all of the taxable property therein without limitation as to rate or amount. The bankers regard the bonds as being legal investment for savings banks in New York State.

Outlook For Employment

(Continued from page 683)

also a willingness on the part of the worker to take suitable employment, to go to the place where work is available, and to fit himself for types of work that are required in peacetime.

This goal cannot be translated in an exact statistic. We need to plan with enough flexibility to use the labor that is available under a system of freedom to choose to enter the labor market or to retire from it.

* * *

It will help, however, to see our problem in terms of minimum numbers. Where do we stand today? Where have we come from? In Apr., 1940 (which we can take as a benchmark) there were about 54 million men and women in the labor force, including 45½ million employed persons, about 8 million unemployed, and less than ½ million in the Armed Forces. Four year later (in Apr., 1944) the total labor force had expanded by over 9 million to 63 million. Employment was above 51 million—about 6 million above the Apr., 1940 figure. The unemployed had decreased by 7 million, and the Armed Forces had increased by 10½ million. Our ability to expand the labor force by 9 millions explains much of the success of our war mobilization. This represents a growth of 6 million to 7 million over and above the growth which normally might have been expected to occur during four years as a result of population growth. Three million of the so-called abnormal increment to the wartime labor force have been women—about 1½ million under 24 years of age and about 1½ million over 35 years of age.

* * *

Where do we have to set our sights for the post-war period? It is certain that many older workers will wish to retire, that many women will prefer to take up their work as homemakers, and that we shall once again start to raise the school-leaving age. Thus we do not need to visualize 63 million in the post-war labor force. But we do need to visualize a larger force than we had in 1940, first because of population growth and second because of residual influences of the wartime expansion. The smallest number we dare think about for the fall of 1947 would approximate 58.5 million. This is no greater than the number that prewar trends have led us to forecast for 1947.

It is highly improbable that abnormal wartime influences on the labor force will vanish without leaving any trace. But let us say that conditions are such that only 58½ million people are at work or in the Armed Forces or seeking work in 1947. There will be, perhaps, 2½ million persons in the Armed Forces. If we grant that 2½ million is a maximum volume of permissible unemployment, we are faced with the need for 53½ million jobs. This is 7 million more than in November, 1940, 3 million above November, 1941 (just prior to Pearl Harbor), and 2 million more than reached at the peak of the war effort in November, 1943. This suggests the magnitude of the post-war employment problem, particularly if we recall two facts: (1) the vast expansion of certain war industries, and (2) that most non-munitions industries except construction have expanded rather than contracted during the war.

The Bureau of Labor Statistics has not attempted to forecast employment or unemployment because we hope that it may be possible that all of us may raise our sights. But remember that 53½ million jobs is a bed-rock minimum to satisfy approximately what we mean when we say that there should be full employment. Actually, because of residual influences of the war on the labor force, you had better think of 55 million jobs as the minimum needed in 1947.

Various organizations have made forecasts with a good deal of agreement as to the expected level of employment in the post-conversion period. These estimates range between 49 and 52 million in agricultural and non-agricultural employment two years after the end of the war. In other words the very best of the expectations (52 million) runs considerably under the lowest possible forecast of needed jobs (53½ million), and at least 3 million under a reasonable forecast of need. Some of the estimates run 3 million below this level.

So the first thing I want to say to you is that all of us need to raise our sights. At this writing the actual expectations of the business community do not add up to anything like full employment two years after the end of the war with Japan.

If we arbitrarily take a figure of 50 million jobs as an assumed figure that corresponds to our current sighting, what does this mean? It means a net movement of about 4 million out of manufacturing.

More than 4 million workers will have to be moved out of iron and steel, machinery, aircraft, shipbuilding, non-ferrous metals and chemicals industries. A few hundred thousand additional workers would be absorbed in furniture, textiles, leather goods, paper and similar industries. Employment in such nonmanufacturing industries as construction, trade, finance and services is likely to expand after the war but not enough in the aggregate to offset the contraction in manufacturing industries.

The retail trade can do much to help raise the sights of the business community. You know that your business depends on the income of a community. The average manufacturer has less experience that involves thinking of his business in terms of national income. Rather he thinks back to some earlier period of good or bad business and uses it as his benchmark.

Businessmen have never experienced the kind of demand that would result if 53 to 55 million people were actually at work. 1941 was our closest approximation and even then there were less than 52 million employed and shortages made it impossible to satisfy consumer demand. In part, buying power that year was being sopped up in rising prices. The first part of the post-war job is to translate full employment into income and that income into consumer goods and services. We will find a need for fundamental expansion of equipment that will in turn require the employment of many hundreds of thousands.

Once we have done that, however, we need to start asking what kind of assurance the individual businessman needs to translate his plans, to meet that market, into contracts for new plant and equipment. If he waits to place his orders until he sees the market in terms of orders on hand, we may never get full employment. If he places the orders and full employment doesn't materialize, he may lose his shirt. Do you know the way out of this dilemma? I hope some of you will discuss it after I have finished.

* * *

I have talked at some length about the more distant period two years or so after the end of the war with Japan, because it is with respect to that period that we can talk of the possibility of full employment. The rapidity of reconversion and expansion during the transitional period will also depend upon the firmness of our belief that we will have full employment at the earliest moment that it is technically possible. Let me repeat that—"The rapidity of reconversion and expansion." We will not accomplish our task if we concern ourselves exclusively with reconversion. Expansion is also required. It is implicit in everything that I have said about raising our sights. And since I shall be talking next about the problems of the transition back to peace, I want to give a final word of warning that we must during that period expand the demand for labor so that there will be 53 to 55 million jobs—not 51 as at present; not 46 as before the war.

The transition to a peacetime economy will be made in two stages. There will be no significant reconversion before Germany is defeated. In total, munitions employment will decline

(Continued on page 701)

$3,400,000

Spokane County School District No. 81

(SPOKANE, WASHINGTON)

2%, 1¾%, 1¼% and 1% Bonds

Due Serially September 1, 1946 to 1967, inclusive

(Bonds due 1965 to 1967, inclusive, subject to redemption in inverse numerical order at par and accrued interest on September 1, 1954, or on any interest date thereafter)

Legal investment, in our opinion, for Savings Banks in New York State

These Bonds, authorized at an election, are to be issued for capital purposes, and in the opinion of counsel will constitute valid and legally binding obligations of Spokane County School District No. 81, payable from ad valorem taxes levied upon all the taxable property therein without limitation as to rate or amount.

Priced to yield 0.55% to 1.20%, according to maturity

These bonds are offered when, as and if issued and received by us and subject to approval of legality by Messrs. Wood, Hoffman, King & Dawson, New York City, and Messrs. Burcham and Blair, Spokane, whose opinions will be furnished upon delivery. The offering circular may be obtained in any state in which this announcement is circulated from only such of the undersigned as are registered dealers and are offering these securities in compliance with the securities law in such state.

HALSEY, STUART & CO. Inc.
THE FIRST NATIONAL BANK OF CHICAGO
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HEMPHILL, NOYES & CO.
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FIRST OF MICHIGAN CORPORATION
THE MILWAUKEE COMPANY
DRUMHELLER, EHRLICHMAN COMPANY
MARTIN, BURNS & CORBETT, INC.

Dated September 1, 1944. Principal and interest, March 1 and September 1, payable in Spokane or New York City. Coupon Bonds in the denomination of $1,000. The information contained herein has been carefully compiled from sources considered reliable, and while not guaranteed as to completeness or accuracy, we believe it to be correct as of this date.

August 17, 1944.

Will Bretton Woods Agreement Revive The Gold Standard?

(Continued from page 684)

clinging to silver as a monetary base, sought means of linking their domestic currency to gold. Great Britain, desirous of reestablishing her position as an international financial center, made the serious error of restoring the pound sterling to its old gold basis, thereby increasing the cost of its products sold abroad, and raising its domestic wage and price levels. Moreover, the gold cover of its currency was decidedly inadequate.

A further error was committed by British bankers and financiers in their efforts to participate in the financing of European reconstruction by placing large loans abroad, particularly in Germany and Austria. When these "reconstructed" areas underwent serious commercial and banking disturbances following our own financial panic of 1929, the Bank of England was unable to maintain a sufficient gold reserve to meet the heavy redemptions of its notes, largely because of the withdrawal of foreign deposits. On Sept. 20, 1931, the British Government gave the order to cease specie payments and again the world's center of finance for more than a century was on a paper currency basis.

The situation was greeted with a sort of rejoicing in British political and financial circles. Now, the nation was freed from "the cross of gold," and Great Britain need not penalize her own businessmen by restricting discounts in order to maintain the gold convertibility of her currency. The pound sterling could be "cheapened" so that British products could compete with those of other depreciated currencies! "The relic of barbarism," as Lord Keynes characterized the gold standard, was indeed, now merely a relic.

What happened in the years immediately following the abandonment of the gold standard by the British is quite well known. It led to a sort of international monetary chaos, which had serious repercussions on our own fiscal and monetary policies. The international currency warfare which ensued was but partly mollified by the truce involved in the Tripartite Agreement of September, 1936, when the second European war broke out. As has already been stated, a gold or any other metallic standard cannot be maintained by a modern nation engaged in a serious and prolonged war, so any proposal or suggestion to fix a metallic standard even for international exchange purposes during hostilities would seem to be ruled out. However, as the prospects of the defeat of Germany and her satellites became more evident, farseeing statesmen and economists began to look forward to a condition of peace that would be free from competitive currency wars and international trade and financial handicaps. It was recognized that this could be accomplished only through an effective international cooperation agreement or organization, in which mutual rather than individual competitive advantage would be the primary object. Since the major part of the world's monetary reserves was concentrated in the United States, and most of the leading trading nations lacked an adequate supply, it was of paramount importance that a mechanism be evolved which would not be entirely dependent on gold to assure international exchange equilibrium.

The first plan to be proposed as an international exchange mechanism or clearing house emanated from Great Britain. It became known as the Keynes Plan, because of its author, Lord Keynes, the prominent British economist and British treasury official, who had a hand in the peace negotiations of the First World War and whose book, "The Economic Consequences of the Peace," was read widely throughout the world. The Keynes Plan was soon followed by the so-called White Plan, whose author, Harry D. White is an Assistant to the Secretary of the Treasury. Both plans, accordingly, bear the stamp of official origin.

It is unnecessary to describe here in detail the differences and similarities of these proposals. They have been printed and thoroughly analyzed in the pages of "The Chronicle." But it will bear repetition to state the position occupied by gold as an international exchange medium in each.

Lord Keynes proposed an international monetary unit, the value of which in gold may be changed when desired, but said nothing about the method of making such changes. The White Plan proposed a definite monetary unit of 137 1/7 grains of fine gold, equal to the amount of gold in ten U. S. dollars. The domestic currency of each country would be fixed in terms of gold, as a ratio of this international unit, and no alteration of this ratio could be made unless approved by an overwhelming vote of the cooperating nations.

Thus, the United States, as might be expected, is interested in maintaining and strengthening gold as a universal international exchange medium, whereas Great Britain, though acknowledging the importance of gold for this purpose, desires to weaken the status of gold in effecting international monetary settlements.

The final wind up, as indicated in the United Nations Agreement at Bretton Woods, establishing an International Monetary Fund and an International Bank for Reconstruction and Development was a complete victory for the United States proposals. It went even further! Instead of creating a new international monetary unit, it made the U. S. gold dollar, of its present weight and fineness, the basic international money.

Was Great Britain opposed to this arrangement? In an address to the House of Lords on May 23, 1944, Lord Keynes expressed satisfaction with this new set up, but denied that it meant the adherence to a domestic gold standard. "There is no longer any need for a new fangled international monetary unit," Lord Keynes maintained, but he still claimed that "the dog that died, (i. e. his 'bancor' unit) was a more thoroughbred animal than has now come out from a mixed marriage of ideas."

Regarding the effect on the British pound sterling of the adherence to a fixed weight of gold as the basic unit of value in the International Fund, Lord Keynes remarked:

"The question which has recently been given chief prominence is whether we are in a sense returning to the disabilities of the former gold standard, relief from which we have rightly learned to prize so highly. If I have any authority to pronounce on what is and what is not the essence and meaning of the gold standard, I should say that this plan is the exact opposite of it. The plan, in its relation to gold is, indeed, very close to proposals which I advocated in vain as the right alternative, when I was bitterly opposing this country's return to gold. The gold standard, as I understand it, means a system under which the external value of a national currency is rigidly tied to a fixed quantity of gold, which can only honorably be broken under force majeure, and it involves a financial policy which compels the internal value of the domestic currency to conform to this external value as fixed in terms of gold. On the other hand, the use of gold merely as a common denominator, by means of which the relative values of national currencies—these being free to change — are expressed from time to time, is obviously quite another matter."

In thus trying to reconcile his own opposition to the gold standard and the system of fixing exchange ratios of different countries in terms of gold, as approved by the Bretton Woods Conference, Lord Keynes apparently forgets that under any national currency system, a sovereign nation is free to alter the weight and fineness of its monetary unit, or otherwise alter its value. It may even fix or alter from time to time, the exchange ratio of its own currency with that of other nations and rigidly control exchange operations. Of course, if a nation adheres to an absolute gold standard, it should not seek to interfere in any way with a free market for gold as a commodity or to control its movement by force, or to interrupt or impede the redemption of all forms of lawful money into gold. But, as Prof. Edwin W. Kemmerer has pointed out in his testimony before the Foreign Relations Committee of the House of Representatives, a gold standard in practice does not assume absolute freedom from governmental controls that may affect the value of the metal.

Lord Keynes, perhaps, rejoices that the International Monetary Fund plan would permit a member nation to change the gold parity of its currency to the extent of 10%, and further, when in the judgment of the governing powers over the Fund, circumstances require a more drastic adjustment, it may be permitted. But this does not give full freedom to a nation to lower or raise the value of its monetary unit to suit its own economic designs or to further its own interests at the expense of others, as happened in the case of Great Britain following the abandonment of the gold standard in September, 1931. For, in addition to the other restrictions placed upon changes in gold parities of domestic currencies, it is provided by Article IV, Section 8 of the International Monetary Fund Agreement that "(a) the gold value of the Fund's assets shall be maintained, notwithstanding changes in the par or foreign exchange value of the currency of any member, and (b) whenever (i) the par value of a member's currency is reduced, or (ii) the foreign exchange value of a member's currency has, in the opinion of the Fund, depreciated to a significant extent within the member's territories, the member shall pay to the Fund within a reasonable time an amount of its own currency equal to the reduction in the gold value of its currency held by the Fund."

This provision, if effective, would act as a check against par value alterations that might otherwise be carried out independently by a single country, when it may for some reason, deem it advantageous to itself to depreciate the exchange value of its money.

But, a still more significant provision, which would seem to maintain "gold on its throne," despite Lord Keynes' boast of its dethronement, is found in Article V, Sec. 6, in which a member nation is required to buy gold from the Fund in exchange for its own currency. Under the first draft of the United Nations Experts' Plan, it was a moot question whether any nation would be required to buy gold from the Fund, if it did not desire to do so. Certainly, Great Britain and other nations that have abandoned the maintenance of gold reserves against currency issues, would have, at times, little use for this "sterile commodity." Accordingly, it was believed that the British delegation to the monetary conference would insist that the provision should be made such, that gold purchases from the Fund should be voluntary.

But, the United States, supported undoubtedly by Russia, having consideration for maintaining the value of their large gold reserves, stood firm for the compulsory gold purchase provision. The Treasury's attitude on this point was made plain in its list of "interpretations," which it published and distributed at the International Monetary Conference. To the question, "Are all countries that are members of the International Monetary Fund under obligation to buy all gold offered to them at a fixed price,, the published reply was:

"Despite the fact that there is no explicit provision requiring member countries to buy all gold offered to them, it is our view that Provision IX-2 implicitly requires member countries to buy gold offered to them by member countries when this becomes necessary to prevent an appreciation of the exchange beyond the range established by the Fund. Appropriate action to prevent exchange transactions in its market in currencies of other members at rates outside the prescribed range involves the acquisition of gold offered by other member countries or by the Fund.

"Obviously a member country can take steps to limit the demand for its currency by the nationals of other countries, and in this way it can minimize the import of gold. It may, with the approval of the Fund, restrict capital movements when the influx of foreign funds is regarded as undesirable. It may even adopt measures that will reduce the demand for its exports in other countries, although certain forms of such measures can be adopted only with the approval of the Fund. But in any case, so long as there is a demand for its currency to settle international transactions on current account, a member country is implicitly obligated to provide its currency for gold.

"Also, it is clearly expected that the Fund can replenish its supply of the currency of any member country through the sale of gold when this is necessary to provide exchange for the purposes for which the Fund is authorized to sell exchange. Because the Fund's gold holdings are regarded as a liquid asset equivalent to any member currency, provision is made for the gradual replacement of local currency by gold. It would be contrary to the purposes of these provisions if gold were not purchased freely by member countries when this becomes necessary to prevent an appreciation of the exchanges."

Thus, any member nation, which has "dethroned" gold, and therefore has no particular use

DIVIDEND NOTICES

CHRYSLER DODGE **Chrysler Corporation** DE SOTO PLYMOUTH

NOW MAKING WAR PRODUCTS

DIVIDEND ON COMMON STOCK

The directors of Chrysler Corporation have declared a dividend of seventy-five cents ($.75) per share on the outstanding common stock, payable September 14, 1944, to stockholders of record at the close of business August 21, 1944.

B. E. HUTCHINSON
Chairman, Finance Committee

THE GARLOCK PACKING COMPANY

August 15, 1944
COMMON DIVIDEND No. 273

At a regular meeting of the Board of Directors, held in Palmyra, N. Y., this day, a dividend of 50¢ per share was declared on the common stock of the Company, payable September 30, 1944, to stockholders of record at the close of business September 16, 1944.

R. M. WAPLES, *Secretary*

Magma Copper Company
Dividend No. 88

On August 16, 1944, a dividend of Twenty-five Cents (25c) per share was declared on the capital stock of Magma Copper Company, payable September 15, 1944, to stockholders of record at the close of business August 29, 1944.

H. E. DODGE, *Treasurer.*

Newmont Mining Corporation
Dividend No. 64

On August 15, 1944, a dividend of 37½ cents per share was declared on the capital stock of Newmont Mining Corporation, payable September 15, 1944 to stockholders of record at the close of business August 28, 1944.

H. E. DODGE, *Treasurer.*

TC TENNESSEE CORPORATION

TENNESSEE CORPORATION

A dividend of 25¢ per share has been declared, payable September 28, 1944, to stockholders of record at the close of business September 12, 1944.

61 Broadway,
New York 6, N. Y.
August 15, 1944.

J. B. McGEE
Treasurer.

DIVIDEND NOTICES

ALLIS-CHALMERS MFG. CO.

PREFERRED DIVIDEND NO. 2

A dividend of one dollar ($1.00) per share on the preferred stock, $100.00 par value, of this Company has been declared, payable September 5, 1944, to stockholders of record at the close of business August 18, 1944. Transfer books will not be closed. Checks will be mailed.

W. E. HAWKINSON,
August 2, 1944. Secretary-Treasurer.

ALLIS-CHALMERS MFG. CO.

COMMON DIVIDEND NO. 81

A dividend of twenty-five cents ($0.25) per share on the common stock, without par value, of this Company has been declared, payable September 30, 1944, to stockholders of record at the close of business September 8, 1944. Transfer books will not be closed. Checks will be mailed.

W. E. HAWKINSON,
August 2, 1944. Secretary-Treasurer.

AMERICAN CYANAMID COMPANY

PREFERENCE DIVIDEND

The Board of Directors of American Cyanamid Company on August 15, 1944, declared a quarterly dividend of 1¼% ($.125) per share on the outstanding shares of the 5% Cumulative Preference Stock of the Company, payable October 2, 1944 to the holders of such stock of record a. the close of business September 9, 1944.

COMMON DIVIDEND

The Board of Directors of American Cyanamid Company on August 15, 1944, declared a quarterly dividend of fifteen cents (15¢) per share on the outstanding shares of the Class "A" and Class "B" Common Stock of the Company, payable October 2, 1944 to the holders of such stock of record at the close of business September 9, 1944.

W. P. STURTEVANT,
Secretary.

THE BUCKEYE PIPE LINE COMPANY
30 Broad Street

New York, July 29, 1944.

A dividend of Twenty (20) Cents per share has been declared on the capital stock without par value of this Company, payable September 15, 1944 to shareholders of record at the close of business August 18, 1944.

C. O. BELL, Secretary.

CITY INVESTING COMPANY
30 BROAD STREET, NEW YORK

August 15, 1944

The Board of Directors has this day declared, out of surplus of the Company, a dividend for the three months ending September 30, 1944, of one and three quarters (1¾%) per centum upon the issued and outstanding Preferred Capital stock of the Company, other than Preferred stock owned by the Company, payable October 2, 1944, to holders (other than the Company), of the Preferred Capital stock of record on the books of the Company at the close of business on September 25, 1944. Checks will be mailed.

G. F. GUNTHER, Secretary

for the metal as a currency backing, may be required to hold large and "sterile" amounts whether it wants to or not. In this way, the vast U. S. holdings, buried at Fort Knox, may be distributed throughout the world, and maintain its value, despite the gloomy predictions that its future worth might depend on its use as roofing material.

It is quite evident that Russia also is desirous of upholding the status of gold in international exchange. Unlike the other United Nations, Russia conducts its foreign trade and foreign exchange operations as a state monopoly. It is, therefore, the only important nation which may maintain a domestic currency system completely divorced from its exchange status in other countries. In other words, the value of Russia's internal currency can be maintained or altered, regardless of its quotations abroad, or the balance-of-payments position of the country. Its gold reserve, therefore, can be applied solely in effecting its payments or receipts from abroad. Accordingly, Russia is primarily interested in maintaining gold as an international exchange medium. As the country is a large producer of the metal, it is also desirous that its value be upheld and stabilized. The attitude or policy is borne out in recent Russian official utterances.

In an article by Y. Vintser, published recently in the official Soviet magazine, "World Economy and World Politics," and reprinted in translation in the "Chronicle" of August 10th, the author remarks:

"When talking of the 'future' fate of gold, it must be said that its role as a measure of value will inevitably be maintained so long as production of goods is maintained. This role is quite independent of the existence or absence of a gold standard or of gold circulation. Even inflation (depreciation of money) rests on the role of gold as a measure of value. This role of gold is also not influenced either by the volume or the distribution of the world's gold reserves. The question concerning the role of gold with regard to other functions of money is quite another matter. Generally gold stopped being used for monetary circulation inside individual countries already from the time of the 1914-1918 war. As a means for payment it only comes in times of crisis, when the machinery for credit breaks down. As treasure it played an essential role between the two world wars, and undoubtedly will continue to play it in the future. Even earlier, gold as world money, as Marx pointed out, did not so much play the role of a means of purchase as that of a means of settlement. A number of present day schemes are aimed at bringing this latter role to a minimum.

"In this way, although the significance of gold as money changes (and has already changed more than once) in the historic process, nevertheless the role of gold in the monetary system of the capitalistic world will be inevitably maintained independently of the money standards which will be accepted after the war."

The policy expressed in the foregoing except is reiterated by another Russian economist, I. Trachtenberg, writing in the same Soviet official publication. This authority holds that "it is impossible to make the principle of divorce from gold the basis of a currency agreement. Capitalism can only loosen the 'golden fetters,' but cannot dislodge gold from its throne." And referring to the means employed in maintaining the stability of the Russian currency under the present regime, and Russia's interest in world monetary stabilization, Mr. Trachtenberg remarks:

"The stability of our currency exchange rate is guaranteed by our socialist system of economy, and, in particular, by the monopoly of foreign trade. The stability of the purchasing power of our money is stipulated by the inner laws of our economic structure.

"Nevertheless, we are interested in the stability of the currencies of foreign countries, both of those to which we export goods and those from which we import them. We are interested in the development of world trade. Any kind of measure which to any degree might aid in solving the above problems, including currency measures, should therefore attract our attention."

Thus, it is apparent that two of the three major members of the International Monetary Fund, whose combined votes will have controlling force, are strongly interested in maintaining the status of gold as an exchange medium and in fostering the universal restoration of the gold standard.

What will be the ultimate effect of all this on future domestic currencies, assuming the objects of the International Monetary Fund will be attained? Will the trading nations of the world be forced to again adopt gold as a backing for their internal medium of exchange, just as during the period from 1870 to 1900 they were practically forced to give up silver or bimetallism, because of the unyielding attitude and policies of Great Britain, Germany and other gold standard adherants?

The answer is decidedly, Yes.

It should be remembered that during the period of "the battle of the standards," both the United States and France (the latter backed up by the Latin Monetary Union), made almost frantic efforts to bring about the restoration of universal bimetallism, and to maintain their own domestic system of two metal bases, but they were eventually forced to abandon the struggle, and to join with others in adopting gold as their basic money. Certainly, unless a nation is situated as Russia is today, in which all foreign trade and exchange transactions are closely controlled by the State, it would be impossible to maintain a stable internal currency free from price fluctuations induced by the purchasing power of foreign currencies, and at the same time permit freedom in foreign trade and international capital movements.

Past monetary experience has proven that a system of free enterprise, combined with the free international movement of capital, in the form of money, credit, goods and services, does not permit a nation permanently to have one kind of money system for internal transactions, and another system for foreign transactions, without fixing a relationship or interconvertibility between the two. Argentina's history furnishes an illustration of this. From 1885 to 1899, Argentina operated on a paper currency basis. At the same time it carried on a large volume of international trade — both in imports and exports. However, because of the internal price fluctuations and recurring foreign exchange irregularities, the business of the country suffered serious handicaps. As a means of effecting a stabilization between the internal currency and its external value, the Argentine Government in 1899 adopted the gold exchange standard — a monetary system whereby the domestic currency was linked to the British pound and a fixed ratio established between a "gold peso" (which did not circulate) and the "national money," the circulating medium. This convertibility, however, could be effected only through the exchange of domestic money for drafts on foreign gold currency. As long as such an arrangement could be maintained, the value of the nation's internal currency was substantially on a gold basis, and internal values were held in line with external values.

Compulsory And Private Social Sec. Essential

(Continued from page 685)

us from want and make life more livable. Both are essential for true social security.

"An American Beveridge Plan must be based upon our philosophy of government and our way of life. Social security should be gradually and soundly extended so as to take up the slack when voluntary effort fails. Some people fear compulsion as a menace to our institutions, but the danger is not in compulsion but in bureaucratic centralization which separates the people from government, dwarfs the states, the local communities and voluntary efforts of all kinds. We do not want to lose our rights as individuals or our energy and enterprise as a people, but we do need the assistance of the Federal Government in leadership, financing, and in creating and maintaining high standards.

"Contrary to the warning of Archibald M. MacLeish, renowned poet and librarian of Congress, that we must not make this a peace of coal, and iron, and oil—it is upon just such things that an enlightened and lasting peace must be based. There will be little left of "the four freedoms" unless the wealth, science, and natural riches of the world are made available on a fair basis to all nations. Oil in Saudi Arabia must not be exploited and controlled by the United States and Britain but by an appropriate international agency. If a few great nations divide up the basic natural resources of the world, we shall have an imperialistic universe and power politics which will lead to serious future conflict.

"Bretton Woods, hopeful as it is, is but a beginning. While there is controversy among bankers and economists as to some of the provisions of the plan for an international bank which will provide loans, and of the agency proposed to stabilize the currency, the important thing is that such agencies be created. The nations must learn to work together for common ends and some plan of organization is essential. The two agencies envisioned at Bretton Woods lead inevitably, if they are to be effective, to tariff reduction on a multilateral scale, and to the removal of all major barriers to trade. We cannot have a cooperative world unless peoples buy as well as sell and economic nationalism is abandoned. The natural resources of the world must be equitably shared. The foundation of world peace and world government must be economic. Upon these agencies may be erected that cultural and political association of nations which Mr. MacLeish envisions.

"In addition, there are other related protections, which are quite as fundamental. Jobs must be available for all who can work. We must plan for an expanded economy and use the vast producing power released after the war to raise the standard of living here and in other countries. Slums must be cleaned out; cities must be rebuilt; decent housing must be provided. Health, sanitation, adequate medical and hospital care, and recreation must be brought within the reach of all.

"We must learn to live fully and help others do the same. Victory against the German aggressors is coming nearer every day. We must be prepared for the problems of the peace which are even more difficult than the problems of war. The end of hostilities must not find us confused and uncertain of our directions. It is just as necessary to plan for peace as war.

"There is no such thing as victory unless it brings both individual and national security. We must be willing to sacrifice as much for peace as for war. We must be willing to join with other nations in providing those economic and political agencies necessary for a prosperous and peaceful world.

"After the last war it was said that we would have peace because civilization could not go through another destructive world war, but this did not prove true. We lacked the courage and vision to create lasting peace. It is far more true today than after the First World War that war must be eliminated if civilization is to survive. The destructive power of modern mechanisms, of robots, the potential power of the atom, the threat of virulent germs, the destruction of cities, the unsettlement of the social organization—all of these are so great that for the preservation of civilization itself, we must find a formula for peace and the economic and political guidance of the world."

Tomorrow's Markets Walter Whyte Savs——

(Continued from page 686)

a market break would come was quite common. Readers will recall that this column flatly observed that instead of a reaction D-Day would likely mark the beginning of a substantial rally. The rest is history and while interesting and naturally flattering to point back to, has nothing to do with the future. That will have to be taken care of by itself.

* * *

Any discussion of the market must, to be unbiased, rest on technical factors. These are also based on all sorts of events, known and unknown. Their interpretation is seen in the action of the tape and to the initiate speak volumes.

* * *

For example reactions generally fall into three classifications. A "news" break which shortly corrects itself and more often than not presents buying opportunities; a corrective or so called technical setback that seeks to overcome or equalize preceding excesses, and finally the major break which means the end of the bull market.

* * *

The first one is unimportant. The second type may lead to spills in various stocks which often gives you the tip-off on the major trend. The third one is of course the one to be scared of. For if you are caught in the third stage you're just out of luck.

* * *

From where I sit it looks as if we had a combination of the first and second stages to contend with. I rule the third one out because there are no stocks which look as if they are going through the cellar. There is one small possibility that presents the fly in the ointment and that is the action of the oils. But so long as that is limited to them I don't see any signs of an important break in the offing. That being the case I continue to recommend retention of holdings recently acquired and additions when as and if other stocks mentioned here two weeks ago get within the buying zone.

* * *

For those not familiar with the issues recommended I repeat: Bendix bought under 38½ (now about 40½) hold with a stop at 35. Lockheed bought at 17 (still available) stop at 15. U. S. Steel bought at under 58½ (still there) with a stop at 55. The following got within fractions of buying areas: Bethlehem Steel between 59 and 60 (now 61½). Latter is the only stock which I re-recommend if available. Another issue which looks good here is Crown Zellerbach. Buy that one between 18 and 18½ with a stop at 17½.

That will be about all for now. If others appear before next week rolls around I'll tell you which ones they are.

* * *

More next Thursday.

—Walter Whyte

[The views expressed in this article do not necessarily at any time coincide with those of the Chronicle. They are presented as those of the author only.]

NY Bank Stocks Compared

Laird, Bissell & Meeds, 120 Broadway, New York City, members of the New York Stock Exchange, have issued a most interesting quarterly comparative analysis of 17 New York City bank stocks. Copies of this analysis may be had upon request from Laird, Bissell & Meeds.

Attractive Situations

Laclede-Christy Clay Products Co. common, which is listed on the St. Louis Stock Exchange, offers an interesting situation, according to a memorandum issued by Herzog & Co., 170 Broadway, New York City. Copies of this memorandum and also circular on Bartgis Bros. and Federal Screw Works may be obtained from Herzog & Co. upon request.

LAMBORN & CO.
99 WALL STREET
NEW YORK 5, N. Y.

SUGAR
Exports—Imports—Futures

DIgby 4-2727

Established 1856
H. Hentz & Co.
Members
New York Stock Exchange
New York Curb Exchange
New York Cotton Exchange
Commodity Exchange, Inc.
Chicago Board of Trade
New Orleans Cotton Exchange
And other Exchanges

N. Y. Cotton Exchange Bldg.
NEW YORK 4, N. Y.

CHICAGO DETROIT PITTSBURGH
GENEVA, SWITZERLAND

Extend Franking Privilege In International Mails

Postmaster Albert Goldman announced on Aug. 1 that information has been received from the Post Office Department that the International Committee of the Red Cross in Geneva is being appealed to more and more for aid in reuniting members of families scattered because of the war. To accomplish this end, measures must be taken to collect and centralize information on the present addresses of the scattered persons.

Indicating that for this purpose the American Red Cross will distribute through various organizations a correspondence card about 5¾ by 4¼ inches in size, the announcement from Postmaster Goldman added:

"This card will be made available to refugees, including evacuees, in this country who have changed their address and wish to make their present address known to their relatives, whose address they do not know themselves.

"When the particulars called for on the reverse side of the cards have been filled in, the cards may be mailed free of postage under Order No. 25467. These correspondence cards, and postcards and letters mailed by the American Red Cross to the Central Agency of Prisoners of War at Geneva, Switzerland, which are entitled to freedom of postage as above stated, must bear the notation 'Refugee Mail—Postage Free (See Order No. 25437).'

"The above-mentioned correspondence cards will be treated the same as postcards.

"Letters and cards mailed to addresses in this country by the Central Agency of Prisoners of War, Geneva, are entitled to free postage in Switzerland and should be delivered without the collection of postal charges of any kind, unless marked for the collection of postage due by the Swiss service.

"Also all cards and letters mailed by the said Central Agency to addresses in this country and all letters and postcards mailed to the said Central Agency by the American Red Cross are exempt from all postage charges.

"This postage free mail is not entitled to registration nor to air-mail service."

Available On Request

Schenley Distillers Corporation have prepared an attractive booklet containing the first articles in the series they have been running in the "Financial Chronicle." Copies of this booklet may be had upon request by writing to Mark Merit, in care of Schenley Distillers Corporation, 350 Fifth Ave., New York 1, N. Y.

Public National Attractive

Stock of the Public National Bank & Trust Co. of New York offers interesting possibilities for investment, according to a memorandum issued by C. E. Unterberg & Co., 31 Broadway, New York City. Copies of this memorandum outlining the situation may be had upon request from C. E. Uuterberg & Co.

Speculative Appeal

"MOP" general 4s of 1975 offer interesting speculative potentialities, according to a circular on the situation issued by McLaughlin, Baird & Reuss, One Wall St., New York City, members of the New York Stock Exchange. Copies of this circular may be had from the firm upon request.

Fashion Park Attractive

A detailed study of Fashion Park, Inc., is contained in a special circular prepared by Simons, Linburn & Co., 25 Broad St., New York. Copies of this interesting study may be had from the firm upon request.

The Probable Price Level

(Continued from first page)

increased, as at present, a price advance merely redistributes production.

When the national economy is operating at or near capacity, supply of a particular goods can be increased only at the expense of the supply of other goods. While a price increase under such circumstances does tend to shut off demand, the increase in price required to bring about a balance between supply and demand is necessarily large. It is too large to be received comfortably. It is inflationary.

During wartime many members of the working force are engaged in the production of goods which are not to be consumed in the usual sense by them or by the workers who are producing the goods that do go through the usual channels of trade. Yet the workers who produce war goods are paid in the same kind of money as those who produce consumers' goods. The war worker thus receives claims for consumers' goods (money) which are on a par with the claims, of the producers of consumers' goods. The total claims for goods thus increase substantially. If the production of war goods is considerably greater than the usual savings of the public, excessive claims to goods (excessive purchasing power) are necessarily created.

It is because of these excessive claims to goods created by war and the pressures built up by them and the Government controls that the problem of the future course of commodity prices is important today. There are at least two ways in which we could approach this problem. We could merely talk about it, each offer his own opinion and after some discussion go away with the combined opinion, which would still be only an opinion. Another method would be to try to determine the price-making factors, their relative importance and probable trends, and on the basis of informed analysis and discussion reach more soundly based conclusions.

When Mr. Hahn asked me to lead this discussion, I told him I would choose the second approach. Let us, therefore, examine in detail the price-making process.

A "market" price is the net result of decisions of many buyers and sellers. Probably no two persons base their decisions on identical principles. The same buyer or seller may emphasize different factors at different times; some even base their decisions on hunches and misinformation. In view of such human behavior in the market it might seem presumptuous for any one to claim that he can measure the effects of price-making factors.

The saving element lies in the law of averages. Even though the great majority of all commodity transactions may be based purely on guesswork, the transactions of those who over-estimate tend to counterbalance the transactions of those who under-estimate, leaving the trend of the market to be determined by the residual few whose judgment represents careful appraisal of the price-determining factors.

How prices are determined by basic economic factors, Government intervention and the minor effect of the so-called "trading" influence can be illustrated by the following discussion of the price of cotton.

Federal attempts to raise the price of cotton have included acreage restriction, loans to induce farmers not to market their crops, stamp plan distribution to increase demand, and lately, Lend-Lease purchases. The price of cotton, therefore, has often varied with actual and rumored Government policies. Yet it is clear that all the Government's policies have aimed to rise price by changing either the supply or the demand or, as in 1933 and 1934, the value of the dollar. Political action, while seeming to have made price forecasting difficult, has actually provided many speculative opportunities for those who have seriously studied the likely trends of supply and demand. This is because very often really important foreseeable changes in demand have sometimes operated to intensify and sometimes to nullify or negate the Government's efforts. Indeed, one can say that the price of any non-monopolistic commodity reflects the interplay of supply, demand and monetary factors affecting that commodity.

Cotton is distinctly a world commodity. In prewar years the United States consumed about 25% of the world's cotton and just before the war produced about 45%, as compared to pre-AAA production of 55-66%. In view of the world-wide aspects of the cotton industry a proper appraisal of the price at any given time should evaluate both foreign and domestic factors. With these things in mind, the following data were subjected to analysis:

Supply Factors

U. S. production
Foreign production
Stocks in the United States
Stocks outside the United States

Demand Factors

Consumption in U. S.
Consumption outside U. S.
Domestic consumer purchasing power

Monetary Factor

Rate of change of foreign exchange

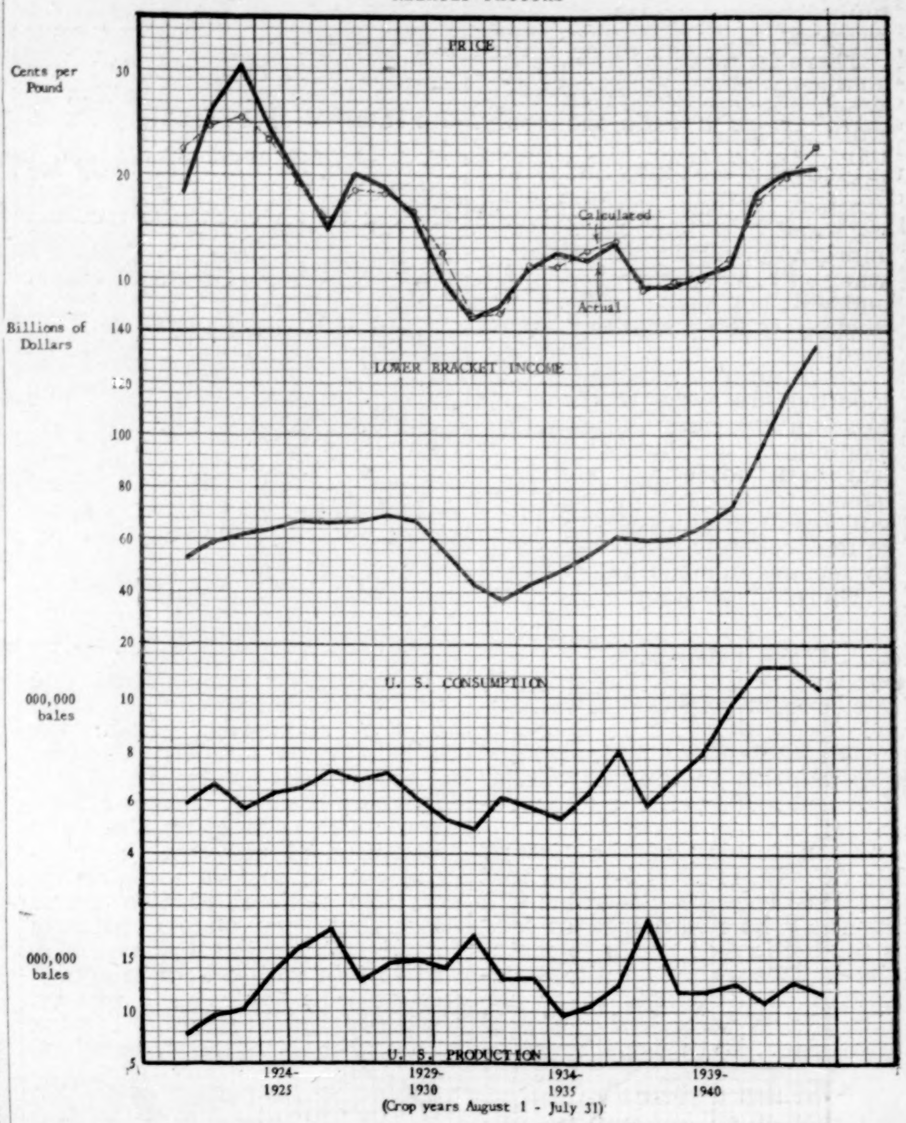
Figures referring to U. S. and foreign production, stocks and consumption are available in publications of the U. S. Department of Agriculture. As a measure of domestic consumer purchasing power, we have used lower bracket income, which is composed of incomes below $3,000. Statistical analysis indicates that the most significant price-determinant proves to be the domestic consumer purchasing power, or lower bracket income, which is of course an excellent measure of the potential consumption of cotton and the prices which consumers are able to pay.

Specifically, we found that a 1% change in lower bracket income has produced a 1.1% change in the price of cotton, other things being equal. Since lower bracket income to a large degree represents the net domestic demand for cotton, domestic consumption only has weight to the extent that it has to supplement the effect of income. A 1% change in the consumption rate has on the average resulted in a .22% change in price in the same direction. Still other things influence our calculated price, so that further adjustments have to be made according to the level of the remaining factors. For instance, a 1% change in the crop has meant on the average a .75% change in the opposite direction in the price of cotton. A 1% change in U. S. stocks on the average has produced a .09% change in price in the opposite direction. The weight of this factor would have been larger if it had not been that the level of stocks is related to production and consumption and the weight accredited to production and consumption is measured either directly or indirectly through income.

Foreign factors also have importance. However, because crop conditions, stockpiles and consumption in different parts of the world may change in opposite directions, the world figures on these variables show much more stability than our own domestic figures. Therefore, the effects of these foreign factors on prices are small compared to our own, even though, for instance, a 1% change in the annual rate of foreign consumption means on the average a 1.2% change in price in the same direction, and a 1% change in foreign stocks means on the average a .72% change in the opposite direction. The rate of change of foreign exchange has an important effect at such times as 1931 and 1933.

These are the factors and weights which are used to compute the calculated price of cotton. They are shown in the lower panel of the chart.

COTTON PRICE
AND
RELATED FACTORS



Similar studies have been made with equally good results for such commodities as wool, hides, leather, copper, lumber, rubber, paper, corn, eggs, barley and various feeds. In each case the most important variables have been either national income payments or some derivative of them such as lower bracket income, and new production and stocks of the commodity. It would seem, therefore, that discussion here might be concerned to a considerable degree with the future of national income and the supplies of the various commodities.

The last war and the present one differ in several important respects:

(1) At the beginning of the last war we had rather full employment of both men and machines, whereas at the beginning of this war we still had several million unemployed and new plants rapidly being built.

Although it is difficult to piece together the entire World War I picture because of lack of statistics, there are fragmentary data which approximate the conditions. For instance, at the end of June, 1917, not quite three months after our entry into the war, unemployment among organized wage earners in Massachusetts amounted to only 3.5%. On the other hand, in December, 1941, national unemployment amounted to about 8%.

(2) During the last war production averaged 62 in 1913, 76 in 1917, only 75 in 1918, and 75 in 1920. This index was computed on the basis of the new Federal Reserve Board Index of Production, 1935-39 = 100, and was estimated back beyond 1919 with the aid of the Day-Thomas Index.

On the other hand, the new FRB Index of Production (1935-1939 average = 100) was 176 in December, 1941. This index reached a high of 247 in October-November, 1943, and has since declined to 237.

(3) National income increased from $46.4 billion in 1917 to $57 billion in 1918 and $62.9 billion in 1919. The national income in December, 1941, on the other hand, was at the rate of $113.7 billion a year and is currently at the rate of $147.5 billion a year.

(4) During the last war and afterwards Government control of prices was not very effective and prices rose sharply, whereas this time the price level has risen only moderately.

During the present war the War Production Board has prohibited or restricted sharply certain civilian demands. It has also placed limitations on inventory demand. Thus speculative demand has been largely eliminated and potential civilian consumption arising from income, which would interfere with war production, has been prevented to a great extent from becoming a price factor.

In addition, the WPB has initiated increases in the supply of materials to take care of increased military demands. Wage and salary controls plus excess profits taxes have operated to retard advances in national income. A consequence has been that price advances in 1943 were small.

Our studies indicate that the efforts of the Office of Price Administration have largely been unfruitful. Many of the effects of OPA ceiling prices have been to shift demand and price pressure to competing commodities not under the same degree of control. However, OPA has contributed something to overall control of prices by rationing certain goods at retail and thereby limiting the demand for them and to a lesser degree by placing ceiling prices on certain raw materials such as copper, steel, leather and pulp. During the last war these commodities rose sharply in price because of increased war demand and the failure to curtail civilian demand.

In view of the striking differences in economic characteristics between World War I and World War II it may be dangerous to plan on post-war prices following a pattern similar to that of World War I. A careful analysis of supply (stocks and production), military demand during and after the war and the degree to which civilian demand has been restricted by WPB controls will be required before conclusions may be reached.

There is, however, one point of similarity that should be noted. When this war is over, price controls, as after the last war, are likely to be much less effective than today. When that point is reached, industrialists who have regarded it as unpatriotic to stop unprofitable production during the war will demand higher prices and will not hesitate to stop production if their requests are denied.

Since quite a number of commodities are today produced at a loss for patriotic reasons, such stopping of production after the war will force the controlling agency to raise ceiling prices. This will result in quicker adjustments to the economic levels determined by income, demand and supply.

There is still another important point that must be considered. The personnel of the controlling bureaus has been largely chosen from the universities and the sales departments of large industries. When the war is over, the universities will experience a tremendous influx of students. To provide the necessary teachers, the universities will advise their professors who are on leave of absence that they must either return at once or resign. Most of the professors will go back to the security of the university jobs, as they did after the last war.

A similar development can be looked for with respect to the sales department personnel. Once civilian goods are again in substantial production and industry can begin to see the disappearance of sellers' markets, sales departments will recall their men.

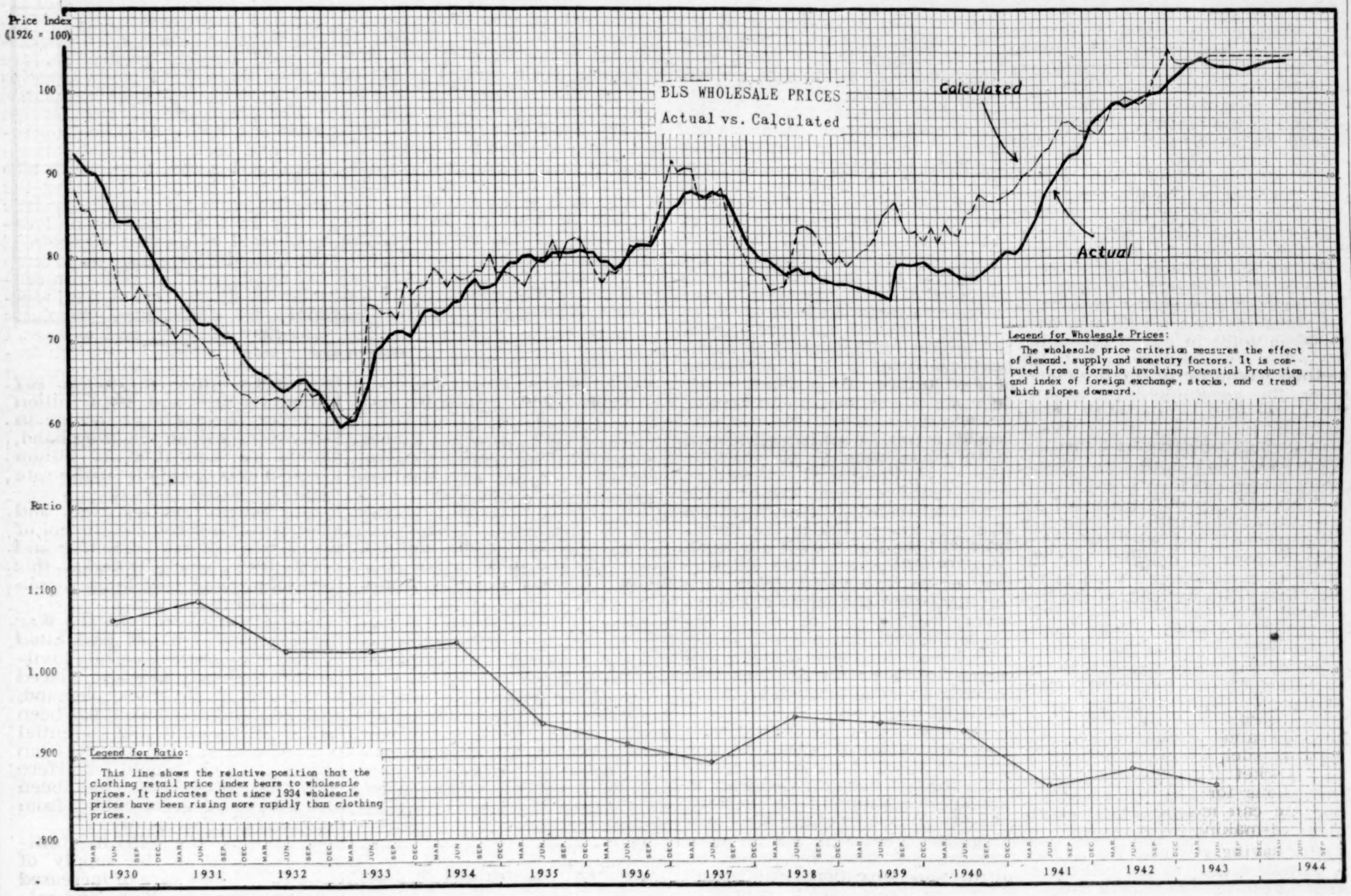
When this happens, the people who made the rules will be back in industry operating under them and learning at first hand their irksomeness. As after the last war, these men will work for revision or elimination of controls. They will be able to accomplish revision or repeal because they will know more about the background and operation of the controls than their less capable subordinates who will be left in control in Washington. One should bear in mind, however, that time will be required both to achieve adjustment of prices and eventual elimination of controls.

In view of such likely developments with respect to control bureaus, it is important that the discussions here should be centered on the usual price-making factors: income, our capacity to produce materials at different cost levels, the relation of present stocks to average stocks, the probable external or gold value of the dollar, British pound and possibly the French franc. With this in mind, I have made some calculations as to the likely level of the Bureau of Labor Statistics Wholesole Price Index.

The accompanying chart shows the BLS Wholesale Price Index and a calculated or theoretical level of such prices. This calculated level, which had tended to lead or precede the actual level is computed from a series composed of new orders, productive capacity of industry, an index of stocks of industrial raw materials, an index that measures long-term variations in costs of raw materials and production, and the rate of change of the dollar with respect to principal foreign currencies. The component parts are thus indexes of demand—as measured by new orders and finished goods capacity—and of supply—as measured by stocks, cost of production and monetary factors.

One might expect that the new production of raw materials would also have an effect on the price level. We have not used a measure of new production of raw materials, because the production of finished goods (productive capacity or new orders whichever is lower), production of raw materials and stocks are mathematically related; any two of the three can be used.

From the chart shown it can be seen that the current price level is within 5% of where it would have been without OPA ceiling price controls. Our studies indicate that efforts of the OPA have largely been unfruitful. Many of the effects of OPA ceiling prices have been to shift demand and price pressure to competing commodities not under the same degree of control.



Legend for Wholesale Prices:

The wholesale price criterion measures the effect of demand, supply and monetary factors. It is computed from a formula involving Potential Production, and index of foreign exchange, stocks, and a trend which slopes downward.

Legend for Ratio:

This line shows the relative position that the clothing retail price index bears to wholesale prices. It indicates that since 1934 wholesale prices have been rising more rapidly than clothing prices.

Outlook For Employment

(Continued from page 697)

from something like 9½ million to about 9 million by the end of this year, if the war with Germany is still in progress. The situation today is one of specific and limited labor shortages, especially for able-bodied males for heavy and sometimes relatively low-wage work. The decline of employment that has occurred to date reflects cutbacks and increased productivity. On the whole, you should expect to continue to hear somewhat conflicting stories: Stories of acute shortage of manpower from those who are faced with the necessity of breaking bottlenecks of production; stories of displacement from workers who have been subjected to displacement on short notice; a more balanced story from those who know that there is no over-all manpower problem but is an increasingly difficult problem of bottlenecks—a problem that is made more difficult as workers interpret local and often poorly planned cutbacks to mean that the war is over.

But when the war with Germany is over, employment will be reduced sharply. Precise estimates cannot be made yet. Reduction of at least 30% and possibly as much as 45% in munitions production have been indicated. This means that 3 to 4 million people will come out of the munitions industries — more than half of them in the first three months and most of them within six months of the end of hostilities with Germany. In addition, 300,000 to 500,000 would be likely to come out of war-time government employment.

A high proportion of those laid off will be relative newcomers to the labor force. But we shall indeed be fortunate if the excess workers in the labor force are reduced from 6½ million at the end of 1944 to 4½ million by the summer of 1945. In its effect on the labor market this decrease will be balanced by the demobilization of almost an equal number of veterans.

Thus at end of six months we shall have about the same number in the civilian labor force as at the end of hostilities with Germany. The war economy will offer 3 million less jobs.

How many of these people will find employment? At this time I prefer not to offer my guess, but to tell you where they may go. They will not go into mining, transportation or public utilities after the end of the war with Germany. Actually employment in these industries is more likely to contract. There should certainly be expansion in construction, trade, in domestic service and in self-employment. But unless there is a much larger expansion of employment than appears probable in local government employment, the service trades and financial institutions, and manufacturing for civilian account, there will be increasing unemployment throughout the year that the war with Japan may be estimated to last. It will rise most rapidly in the first six months. In the last six months the expansion of durable goods manufacture and withdrawals from the labor force may just about balance the discharges from the armed forces.

With reference to this period I want to say three things: (1) we may be saved from a serious nation-wide unemployment problem because of continued volume of government expenditures and the large consumer demand of the period; (2) it will be almost impossible to achieve the full use of released manpower because some plants that are needed for civilian production will have to be retained in war production; (3) in many communities the unemployment problem will be severe and can be relieved only if people are to spread out again. I think you can see what I mean when I distinguish between the nation-wide unemployment situation and local situations in which there have been particularly severe cutbacks. Our unemployment problem will arise from high percentages of unemployment in some war centers, even while the labor market remains tight elsewhere. In grand total we are not likely to have more than 5 million unemployed, and we might hold it to 3 or 4 million. But it will not be evenly distributed, so that we shall face the need for a strong system of unemployment compensation and the strongest possible employment system whereby individuals may move from areas of high unemployment to the tighter markets. Incidentally, businessmen in planning production programs had better watch employment and national income figures rather than newspaper headlines. The latter will trace the declines, which will be spectacular; they are likely to overlook reemployment that occurs in smaller numbers.

In this connection you may find the BLS data helpful. Current information on employment by industry and by area will be more useful than ever before.

The BLS publishes monthly employment estimates industry by industry, estimates which are based upon voluntary monthly reports from about 150 thousand employers and which are accurate enough for most uses.

The BLS publishes, also, monthly indexes of changes in industrial employment in 102 metropolitan cities and is assembling from every source the best estimates that are available of employment in November, 1943, and May, 1944, in 185 war production centers as compared with pre-war employment in these centers.

These data probably will be available for release some time the latter part of August. In each of these 185 areas numbers of persons employed have increased 5,000 or more since 1940. They are the areas where the impact of war production cutbacks are likely to be most severe.

At the request of various state agencies, the BLS is also compiling tabulations of employment by industries from the 1939 and 1940 censuses and setting up as nearly comparable employment figures by states and industries for September, 1943, as are available. In the fall of 1943 many industries reached their peak levels of wartime production. This information is grist for the retailers mill because wartime expansion in munitions industries implies postwar cutbacks in these industries, and difficult readjustment problems where the wartime expansions have been greatest.

Attractive Situations

Ward & Co., 120 Broadway, New York City, have prepared circulars on several situations which currently offer attractive possibilities, the firm believes. Copies of these circulars, on the following issues, may be had from Ward & Co. upon request.

Du Mont Laboratories "A" Merchants Distilling; Crowell-Collier Publishing; P. R. Mallory; General Instrument: Long Bell Lumber Co.; Great American Industries; Mid-Continent Airlines; Massachusetts Power & Light $2 preferred; Majestic Radio; Magnavox Corp.; Electrolux; Purolator; Brockway Motors; Mohawk Rubber, Moxie, Scoville Mfg.; Douglas Shoe; and American Export Airlines.

Rep. Chas. S. Dewey's Views On International Monetary Fund

(Continued from page 682)

seems to be little public understanding although it has a very direct bearing upon our own prosperity.

The International Monetary Fund and the International Bank for Reconstruction and Development were tentatively agreed to at Bretton Woods by representatives of 44 nations. I say tentatively agreed to, as our Congress as well as the Parliaments of the other nations must give final approval. In all of the discussions the point was stressed that if the currencies of the world were not stabilized and the industries of foreign nations were not rehabilitated so that the purchasing power of their citizens will increase, the United States with its great industrial and agricultural equipment would be the chief sufferer. Our factories would reduce operations, men would lose jobs and agricultural prices decline.

Probably these dangers are much exaggerated, but on the other hand, none can gainsay the desirability of an active world trade, provided the credit and other risks involved are not too great.

From my study of the plans proposed at the International Monetary Conference at Bretton Woods, N. H., I have come to the conclusion that any possible benefits to the economy of the United States are far outweighed by the risks involved.

It is quite obvious that at the termination of the war some of the currencies of nations, who have suffered extreme devastation, will have little or no value, and in some of the larger nations, owing to the tremendous burden of war debt and expenditures, it is problematical what the purchasing power of their currency will be.

The International Monetary Conference attempted to produce a plan by which every nation's currency would be given a purchasing power related to gold or the United States dollar of present value and fineness. In order to solve this very unusual economic problem, an International Monetary Fund has been tentatively agreed upon by the 44 nations attending the Conference in which Fund each nation was given a quota of participation. The total of all these quotas amounted to 8 billion 800 million dollars, of which the United States supplies 2 billion 750 million dollars.

To give a simple example of how the fund would work, let us take the example of Greece. Greece was given a quota of 40 million dollars. At the present time it is most difficult to state what would be the value of Greek currency, but for the sake of argument, the managers of the Fund might assign a value of 1 cent to the Greek drachma. Once the Fund would be put into operation, the Greek Government could come to the Fund and in each year until its quota was exhausted purchase one quarter of its quota equivalent to 10 million dollars of any currency that it desired, paying for it with one billion of their drachma.

It is obvious that at the present time and for a number of years in the future the principal market in which any purchases probably can be made will be the American market; hence, the Greek Government more than likely would request dollars to be used in our market for the purchase of machinery or any commodity it required. What happened in the case of the Greeks would happen in the case of all the other countries that have been devastated and desire to rebuild themselves. As a result, there would be a constant demand for the United States dollar quota in the Fund, to be paid for by currencies of somewhat doubtful value until all of the dollars were exhausted.

I will admit that probably I have over-simplified the description of the operation and it is the hope of the proponents of the Fund that with the growth of international trade, the members of the Fund would trade between one another and the exclusive demand for the dollar would diminish. This, however, is only wishful thinking and there is danger that the Fund might be unable to carry on its operation due to the exhaustion of dollars and be forced to liquidate, in which case the United States would become the possessor of at least 2 billion, 750 million dollars of foreign currencies for which it had little or no use, but in exchange for which the American taxpayers would have delivered to the countries operating through the Fund 2 billion, 750 million dollars of real wealth, as evidenced by American machinery and commodities.

Another questionable feature from the American point of view is our control over the operations of the Fund. According to the accepted plan, vote control is closely allied to the amount of the quota participation by each nation in the Fund. America's quota of 2 billion, 750 million dollars gives it 28% of the vote, while the remaining 72% is lodged in the control of the countries which will do most of the borrowing from the Fund, and as the ordinary decisions of the Fund managers are approved by merely a majority vote, it is obvious that we would not have a large voice in any proceedings.

While I always try to keep an open mind on the advantages of providing assistance to the peoples of other nations, there are very definlte limits beyond which such aid will be of doubtful assistance to the recipient and will undoubtedly injure our own people.

This country will emerge from the World War with a public debt somewhere in the neighborhood of 300 billions of dollars. For the sake of comparison I wish to recall that when we entered the first World War in 1917, the public debt of the country was under three billions and at the termination of the first World War the public debt was under 26 billion dollars. It will, I know, be of interest for the public to learn that as of June, 1944, the amount of assistance under Lend Lease to our allies of the United Nations reached 28 billions, or two billion dollars more than the total public debt incurred by this country to fight the first World War.

A public debt of 300 billions of dollars even for as great a country as our own is an incomprehensible figure, but I believe that it can be serviced and steadily reduced, provided, first the financial policy of the Government follows a course of economy and, second, that Government follows a policy of full production by all phases of agriculture and industry, which will have the effect of maintaining a high national income. The success of such a policy must stem from the people themselves, actuated by individual initiative and desire for gain and not from a regimented, bureaucratic economy.

In the agreement reached at the International Monetary Conference at Bretton Woods a chief purpose unanimously endorsed was as follows: "To facilitate the expansion and balanced growth of international trade and to contribute thereby to the promotion and maintenance of high levels of employment and real income and to the development of the productive resources of all members as primary objectives of economic policy."

This "purpose" expresses all our aspirations but there are many who believe that the proper method to obtain them differs greatly from the agreements arrived at during the International Monetary Conference, which, as I have already stated, involve credit and other risks disadvantageous to the United States. By other risks I refer to lack of political stability existing in many of the nations who may be our associates in the International Monetary Fund. Further, at the present time it has not been fully developed that some of the international policies of our associates may not be compatible with American thinking, and being a member of the Fund, we would either have to withdraw or assist the financing of plans and programs of government which we do not approve.

The thought expressed so many times in the discussions at the Conference, that the benefits of the Fund would only be used to achieve the purposes of the Fund above referred to, seems to me to be based on an international altruism that has never been evident in the past and is a doubtful quality in international dealings of the future. It is almost safe to believe that when the war terminates the governments of the 44 nations, with which we might be associated in the Fund, once they had been established and become the actual accepted representatives of their people, having their own economic problems and policies to consider, would not be inclined to accept the dictation of the board of governors of the Fund unless the benefits far outweigh in value the surrender of their own independent judgment.

As has been stated, one of the principal purposes of the International Monetary Fund is to promote and maintain high levels of employment and the development of productive resources throughout the world. Such goals can only be achieved by selling many devastated countries productive machinery and raw materials on credit terms, but it is well known that for a number of years to come, the principal market in which such purchases can be made and such credits extended is the United States. Under the provisions of the Fund, with our small voting power, we have little to say as to who will receive such credits, what the terms of repayment will be and, of course, despite the fact that we will be the chief provider, little thanks will come to us as all dealings will have been made through an international body.

As opposed to joining up with any international group at the present time, it might be advisable for the people's Congress to consider attempting to achieve the high purposes of the Monetary Conference but with a little more assurance that we, too, would be included among those benefited.

It has been pretty generally agreed that in order that we may service our public debt and prevent inflation, this country must maintain a high national income derived by full production and full employment. Such a program has certain dangers attending it; namely, the creation of surpluses, due to the high efficiency of our labor, the ingenuity of our manufacturers and the development in agricultural production. On top of these for a number of years to come will rest certain war surpluses now owned by the Government. Both these types of surpluses can be disposed of outside the continental United States and produce the same economic benefits throughout the countries of the world and satisfy the same purposes sought to be accomplished by the International Monetary Fund, providing adequate domestic financial facilities are developed to handle operations of this magnitude.

On the other hand, should the Government of the United States continue the practice of buying up and holding such surpluses, they could have no other effect than stifle industrial and agricultural production as no one would know when they might appear on the domestic markets and cause a break in prices.

We have then, a choice to make of the following: One, to join up with an international fund in which we have little control and in which our losses might be very severe, or, two, as I have said, develop our own international credit machinery to such a point that in cooperation with private capital the question of surpluses can be solved in a manner satisfactory to ourselves and with a fore-knowledge of what, if any, our losses may be. I recommend for the consideration of the Congress the latter method.

By executive order, the Export-Import Bank of Washington, D. C., was incorporated in 1934 and from time to time its activities have been increased as well as its loaning power. During the early stages of its development its activities related almost exclusively to inter-American trade and the development of resources of the countries of the Western Hemisphere. It is, however, empowered to operate anywhere in the world. In fact, its purposes are somewhat similar to the purposes mentioned at the International Conference at Bretton Woods; to wit, "to make loans to any governments, their central banks or to any other acceptable banking institutions and when guaranteed by any such government, a central bank or any other acceptable banking institution, to a political subdivision, agency or national of any such government for the purpose of assisting in the development of the resources, the stabilization of the economies, and the orderly marketing of the products of the countries of the Western Hemisphere."

I now make you a startling statement. In the eight years of active operation of the Export-Import Bank it has had a turnover of 1 billion, 275 millions of dollars, has made a profit on its operations and up to date has suffered no loss. It has financed the export of all types of machinery, transportation equipment, the production of raw materials and the sale of agricultural products. It has done these things in harmony with the private financial houses of the country and has entered fields of credit not covered by ordinary financial institutions. The Export-Import Bank has been quietly rendering an important service to labor and industry and up until the outbreak of the war has assisted in the financing of a small percentage of our exportable surpluses. The disposition of these exportable surpluses means jobs to American workmen and stabilization of prices to American agriculture.

At the present time the loaning ability of the Export-Import Bank is limited to 700 millions of dollars and while it has been constantly expanding its operations, particularly until the outbreak of the war and even since by the extending of credit for the development of critical materials in foreign lands needed in our domestic war production, yet it has not taken the position in our over-all economy that it might well do.

I offer the suggestion that the Congress of the United States give consideration at this time, as a part of our reconversion legislation, to the development and increase of activities of the Export-Import Bank as our method of participation in world reconstruction, rather than becoming a partner in any great international fund in which the interests of the United States might become subordinated to those of the other associates.

On Feb. 1 last I offered House Joint Resolution 226 which set up a board of American directors to supervise the operations of a central reconstruction fund which had the same purposes as set forth in the International Monetary Conference and the by-laws of the Export-Import Bank. The board of directors through the use of the Reconstruction Fund could participate in joint accoutn to the extent of not more than 50% of the total cost in the case of any one risk with any other government or governments or any duly authorized agents thereof, or to the limit of 50% in any one risk in any one nation with any individuals or corporations within the limits of their charter, through the purchase assignment or resale of notes, bonds or equity shares, providing that in all such financial operations the recipient nation should take steps looking toward the balancing of their federal budget, and that in all cases the operations would be for sound economic objectives.

In view of its large experience, gained over eight years, the Export-Import Bank can probably better serve the public interest than a new Fund as proposed in H. J. Res. 226; provided, however, certain changes are made in its charter, in its governing board and through an enlargement of its sphere of action.

At the present time such policy as may exist in regard to the financing of surpluses outside of the country, and the assistance of labor and management in developing ways and means for disposition of surplus production, are spread throughout many agencies and bureaus of the government.

The financing of our foreign trade is a highly technical operation and requires special knowledge and experience, and also there will be arising during the coming years matters of domestic policy in the extension and development of oversea markets. If the United States expects to keep full employment it must also consider the disposition of the industrial and agricultural surpluses that may develop, and this, as I have already stated, requires forward-looking thought as to whom and under what credit terms they will be sold.

I believe that the time is now ripe for us to give consideration to the setting up of one advisory council whose duty it should be to submit foreign trade policy decisions to the Congress for such legislative action as would be required, or under such authority as exists to advise the operations of one Federal institution such as the Export-Import Bank in its financial dealings in the disposition of surpluses and such other international operations as are collateral to our foreign trade.

As a suggestion, I believe that the Charter of the Export-Import Bank should be changed to set up an advisory board of 12 positions, some of which shall be filled by members of the Government and others chosen for their technical knowledge in the business world. The position to be filled would be as follows:

1. Labor.
2. Agriculture.
3. Critical Materials — within and without the U. S.
4. Surpluses — both industrial and agricultural.
5. International policy (State Department).
6. Geographic (world population movements and territorial developments).
7. Political Domestic Policy (representatives of Senate and House of Representatives).
8. Domestic Finance (Treasury Department).
9. Advertising and Services (The time will come when American goods in a highly competitive market will be sold on quality and servicing).
10. Transportation (by sea).
11. Transportation (by air).
12. Financing of Foreign Trade (civilian of broad foreign trade experience).

The charter of the Bank would further provide for a technical board of directors composed of government employees who will oversee the executive operations of the bank in line with the general recommendations of the Advisory Board.

At the present time the loaning limit of the Export-Import Bank is 700 millions of dollars. While at no time has the limit been reached, the Bank is empowered to sell additional stock to the Reconstruction Finance Corporation to increase its loanable funds. In lieu of this I would recommend that the capital of the Bank be increased to 1 billion dollars and that the charter provide that it may sell its debentures to the Treasury Department in an amount not in excess of 2 times its paid-in capital.

While it is understood that under certain conditions the Export-Import Bank can cooperate with private capital in its financial undertakings, the new Charter should definitely provide for assistance along this line with a view of stimulating our own private sources of financing foreign trade.

In offering the above suggestion, I again wish to emphasize the point that while it will be advantageous to the American people to participate in the redevelopment of the purchasing power of foreign countries through aiding them in re-establishing their wealth - producing possibilities, yet we should maintain an intelligently selfish point of view. Frankly, I am more anxious that our returning soldiers are provided with good jobs and the opportunities of success in their lives than I am as regards the future of the soldiers of other countries, and I further believe that the person who looks after his own business achieves greater success than does the person who surrenders the power of decision to someone else.

Market After Victory

(Continued from page 685)

on anticipation than realization and it seems as if we still have time to anticipate.

Post-War Outlook Good

"The press is already talking of lend-lease to Britain after the war. There are indications that point to the war being paid for through a basic increase in the price level. It looks as if post-war unemployment and economic reverses will be staved off, for a time anyway, through American financing of world reconstruction. The funds advanced by our Government will probably be spent through ordinary commercial channels here and added to the domestic deferred expenditures.

When and What to Buy

"There are those who think they see a good short-term buying level but feel that expecting the market to be higher six months from now is too much to ask. Our opinion is that buying should be done whenever the market seems at an attractive buying point. No one can tell in advance whether what seems to be a trading purchase will change into a profitable long-pull investment. Delayed purchasing until everything seems ideal often means paying premiums. Individual issues which, in our opinion, are worth investigating as purchases for various reasons include Amarada, Westinghouse Electric, Johns-Manville, Monsanto, International Harvester, General Motors, Pepsi-Cola, Montgomery Ward, Atlantic Refining, Columbia Broadcasting, United Aircraft, Republic Steel, International Paper, Rayonier, Engineers Public Service, Houston Oil, Radio, American Water Works.

Taxes, Earnings and Stock Prices

"With the war apparently reaching a crisis, the problems and possibilities of post-war loom large in the calculations of investors. Taxes are among the many uncertainties under consideration. Although the 1943 Tax Act somewhat increased the excess profits tax load, it seems clear to legislators as well as economists and businessmen that we have about reached the point of diminishing returns in wartime corporate taxation.

"Our present tax needs severely restrict potential rewards from the use of venture capital by reason of the drastic taxation of corporate profits. However, the trend of present official thought offers assurance of post-war elimination of excess profits taxes. Such relief would greatly improve general corporate earning and dividend paying ability and be particularly beneficial to companies which will resist declines in pre-tax net and at the same time enjoy substantial tax savings with resultant higher per-share earnings. A measure of the advantage to be gained from elimination of this burden is implicit in the fact that a representative cross section of industry paid out, in Federal taxes for 1943, some 64% of pre-tax net before provision for post-war refunds. This compares with a 40% tax remaining if excess profits taxes are eliminated.

"Following is a selected group of stocks which are, in our opinion, at attractive levels for purchase by those who seek issues with possible savings from elimination of excess profts tax sufficient to exceed declines in pre-tax net income resulting from reduced war spending."

	1943 Pre-Tax Net (Mil)	1943 Inc. & EPT. (Mil)	Income & E.P.T. of Pre-Tax Net (%)	Theoretical Deferred Demand Levels						Recent Price
				1943 Net (Per-share)	1943 Div. (Per-share)	Pre-Tax Net (Mil)	Fed. Inc. Tax@40% (Mil)	Earns. (Per Share)	Price (Per Share)	
U. S. Rubber Co...	$59.8	$44.4	74	$5.09	$1.00	$29.0	$11.5	$7.00	75	48
Westinghouse Elec.	104.0	74.8	72	6.97	4.00	43.0	17.0	8.25	150	103
Monsanto Chemical	15.4	10.1	71	3.56	2.25	15.0	6.0	6.50	130	84
Sears Roebuck.....	86.0	52.2	61	5.81	4.25	85.0	34.0	8.75	125	94
American Tobacco..	55.1	32.5	59	4.32	3.25	53.0	21.0	6.50	100	71
Johns-Manville	17.2	10.0	59	5.27	2.25	15.0	6.0	10.50	160	97
Amer. Home Prod..	14.0	8.3	59	5.16	2.65	11.3	4.5	6.75	100	70
Columbia Broad. ..	13.1	7.6	58	2.64	1.80	12.8	5.1	4.50	50	32
Philco Corp.	17.0	9.9	58	2.60	1.00	10.5	4.2	4.50	50	33
General Foods	36.5	20.8	57	2.42	1.60	27.0	11.0	3.00	60	43
Pepsi-Cola*	14.8	8.0	54	3.31	2.25	19.0	7.5	6.00	90	55

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*Figures for 1942 year.

Interesting Situation

H. R. Baker & Co., Russ Bldg., San Francisco, Calif., have available an interesting report on Sierra Pacific Power Co. Copies of this report may be had from the firm upon request.

Bright Possibilities

Giant Portland Cement is a low-priced stock in an industry with a bright future and offers interesting possibilities, according to a circular prepared by Lerner & Co., 10 Post Office Square, Boston, Mass. Copies of this circular may be had from Lerner & Co. upon request and also a circular on Riverside Cement class A which the firm believes is an outstanding cement stock with a dividend arrearage.

Calendar Of New Security Flotations

NEW FILINGS

List of issues whose registration statements were filed less than twenty days ago, grouped according to dates on which registration statements will in normal course become effective, unless accelerated at the discretion of the SEC.

THURSDAY, AUG. 17

INDIANA & MICHIGAN ELECTRIC CO. has filed a registration statement for 120,000 shares of cumulative preferred stock (par $100). Company proposes to make a loan from not more than six New York City banks in the amount of $7,880,000 and use proceeds for purchase for cancellation of 544 shares of old 7% and 35,473 shares of old 6% preferred of Indiana from American Gas & Electric Co. for $3,596,749, and for redemption and cancellation of 38,731 shares of old 7% preferred and 245 shares of old 6% preferred of Indiana now in the hands of the public, at the redemption price of $110 per share plus accrued dividends. The cost of these two transactions is placed at $3,596,749 and $4,287,360, respectively. Proceeds from sale of the new preferred and common stocks are to be applied to the payment of the bank loan. Balance will be included in general corporate funds of Indiana and used to acquire property and for construction purposes. The preferred stock is to be sold subject to the competitive bidding rules of the Commission. Names of underwriters will be filed by amendment. The offering price to the public and the dividend rate will be supplied by amendment. Filed July 29, 1944. Details in "Chronicle," Aug. 10, 1944.

SATURDAY, AUG. 19

ASSOCIATED GROCERS CO-OP has filed a registration statement for 5,520 shares ($50 par) capital stock.

Address—Seattle, Wash.

Business—Cooperative wholesale grocery.

Underwriting—No underwriter.

Offering—In exchange for refund credits held by members of the Association on basis of 14 shares for $700 principal amount of refund credits.

Proceeds—To reduce outstanding refund credits.

Registratien Statement No. 2-5436. Form S-1. (7-31-44). Statement originally filed in San Francisco.

SUNDAY, AUG. 20

MISSISSIPPI POWER & LIGHT CO. has filed a registration statement for $12,000,000 first mortgage bonds series due 1974. Net proceeds from the sale of the bonds and $2,000,000 of promissory notes, together with such additional cash from general funds as may be required, will be used to redeem at 102½ the $15,000,000 first mortgage gold bonds, 5% series due 1957. The bonds will be sold under the competitive bidding rule of the Securities and Exchange Commission and names of underwriters will be filed by amendment. Filed Aug. 1, 1944. Details in "Chronicle," Aug. 10, 1944.

ARTLOOM CORPORATION has filed a registration statement for 100,000 shares of common stock (no par). Holders of common stock of record Aug. 4, 1944, will be given the right to subscribe to the new common stock at $5 per share in the ratio of one share for each two shares then held. Almost the entire net proceeds will be used to retire the company's preferred stock which it is estimated will require approximately $470,235. Any balance will be added to the working capital of the company. Stroud & Co. are underwriters. Filed Aug. 1, 1944. Details in "Chronicle," Aug. 10, 1944.

BUFFALO BOLT CO. has filed a registration statement for 141,054 shares of common stock (par $1). Of the total 78,834 are to be sold for account of the company and 62,220 for account of certain stockholders. Company's proceeds will be used to augment working capital and for other corporate purposes. Van Alstyne, Noel & Co., New York, head list of underwriters. Others will be supplied by amendment. Price to public $6 per share. Filed Aug. 1, 1944. Details in "Chronicle," Aug. 10, 1944.

MONDAY, AUG. 21

CARRIER CORP. has filed a registration statement for 70,000 shares of cumulative preferred stock (par $50). Part of the proceeds will be applied to the retirement of $1,558,000 10-year 4½% convertible sinking fund debentures. Balance will be available for expenditures on plant or for other corporate purposes. Of the 70,000 shares registered, 66,506 are being offered by the corporation to the holders of its common stock for subscription pro rata at the rate of 16 shares of preferred for each 100 shares of common stock held of record at the close of business Aug. 18, 1944. Subscription warrants will be exercisable beginning Aug. 19, 1944, and will expire at the close of business Aug. 25, 1944. The underwriters are offering to the employees of the corporation at a price to be filed by amendment any shares not subscribed for by the holders of common stock or otherwise purchased by the underwriters. Any remaining shares will be offered to the public at a price to be filed by amendment. The principal underwriters are Harriman Ripley & Co., Inc., and Hemphill, Noyes & Co., both of New York. Filed Aug. 2, 1944. Details in "Chronicle," Aug. 10, 1944.

WEDNESDAY, AUG. 23

NATIONAL CYLINDER GAS CO. has filed a registration statement for 35,000 shares of cumulative preferred stock (par $100). Proceeds will be added to the cash funds of the company to be available for general corporate purposes. Pending specific allocation, some of the proceeds may be used to carry additional receivables and inventories, to increase bank balances and to pay current liabilities. Principal underwriters are Paine, Webber, Jackson & Curtis and F. S. Moseley & Co., Chicago. Others will be supplied by amendment. Filed Aug. 4, 1944. Details in "Chronicle," Aug. 10, 1944.

THURSDAY, AUG. 24

CENTRAL SOYA CO., INC., has filed a registration statement for $2,250,000 sinking fund debentures, due Aug. 1, 1959. The underwriters are Glore, Forgan & Co., $900,000; First Boston Corp., $450,000; A. G. Becker & Co., Inc., $300,000; Bacon, Whipple & Co., Kebbon, McCormick & Co., and Reynolds & Co., $200,000 each. Part of the proceeds will be applied to the purchase and cancellation or redemption of $1,400,000 aggregate principal amount of first mortgage and leasehold 4% sinking fund bonds due Nov. 1, 1952. Balance will be added to working capital of the company. Interest rate and offering will be supplied by amendment. Filed Aug. 5, 1944. Details in "Chronicle," Aug. 10, 1944.

SUNDAY, AUG. 27

ALVA PUBLIC TERMINAL ELEVATOR CO. has filed a registration statement for $250,000 10-year 6% subordinated sinking fund note.

Address—Alva, Okla.

Business—Corporation is a new company and proposes to store and handle grain.

Underwriting—None named.

Offering—Approximate date, July, 1944.

Proceeds—Proceeds received from the the notes will be used for the purchase of the real estate and the construction of a one million bushel elevator, with a three million bushel head house.

Registration Statement No. 2-5444. Form S-2. (8-8-44).

MONDAY, AUG. 28

HAMILTON MANUFACTURING CO. has filed a registration statement for 38,996 shares of preferential participating stock (par $10).

Address—1316 18th Street, Two Rivers, Wis.

Business—Established lines of business include wood and steel professional furniture and equipment etc.

Offering—Price to the public to be filed by amendment.

Proceeds—to redeem and retire on or before Jan. 1, 1945, at 103, plus accrued interest, $300,000 5% first mortgage sinking fund bonds and at 105% of par value, plus accrued dividends, all of outstanding 7% cumulative first preferred stock consisting of 838 shares.

Underwriting — Straus Securities Co., Chicago, 19,498 shares and Loewi & Co., Milwaukee, 19,498 shares.

Registration Statement No. 2-5445. Form S-2. (8-9-44).

WEDNESDAY, AUG. 30

THE BOND INVESTMENT TRUST OF AMERICA has filed a registration statement for 60,000 shares of beneficial interest.

Address — 49 Federal Street, Boston, Mass.

Business—Investment trust.

Underwriting — Principal underwriter Whiting, Weeks & Stubbs, Boston.

Offering—At market.

Proceeds—For investment.

Registration Statement No. 2-5446. Form S-5. (8-11-44).

DATES OF OFFERING UNDETERMINED

We present below a list of issues whose registration statements were filed twenty days or more ago, but whose offering dates have not been determined or are unknown to us.

ARDEN FARMS CO. has registered 35,714 shares of $3 cumulative and participating preferred stock, without par value. Company has offered to holders of its preferred stock rights to subscribe for shares of the new preferred at the rate of one share for each 2½ shares held at $45 per share. Company proposes to sell to the public any shares not subscribed. Net proceeds will be used to improve the cash and working capital positions of the company and to the acquisition of additional plants. No underwriters named. Filed June 21, 1944. Details in "Chronicle," June 29, 1944.

ATHEY TRUSS WHEEL CO. has filed a registration statement for 71,590 shares of common stock (par $4). The shares are issued and outstanding and do not represent new financing by the company. Brailsford & Co., and C. O. Kalman, Paul R. Doels and Edwin White are considered to be the principal underwriters. Filed July 27, 1944. Details in "Chronicle," Aug. 3, 1944.

BIRMINGHAM ELECTRIC CO. has filed a registration statement for $10,000,000 first mortgage bonds, series due 1974. Interest rate will be supplied by post-effective amendment. Price to the public will be filed by post-effective amendment. Company is a subsidiary of National Power & Light Co. which is the sole owner of the 545,610 shares of its outstanding common stock. The net proceeds, together with such additional cash from its general funds as may be required, will be used for the redemption, at 101 and accrued interest, of all of the company's first and refunding mortgage gold bonds, 4½% series due 1968, outstanding in the principal amount of $10,000,000. The bonds will be offered by the company for competitive sale pursuant to the Commission's competitive bidding Rule U-50. The names of the underwriters will be filed by post-effective amendment. Filed July 22, 1944. Details in "Chronicle," July 27, 1944.

BROOKLYN UNION GAS CO. June 29, 1941 filed a registration statement for $12,000,000 25-year sinking fund debentures due Aug. 1, 1969. Company planned to refinance its entire outstanding debt by the issuance and sale to the public of $12,000,000 debentures and the concurrent issuance and private sale of $30,000,000 general mortgage sinking fund bonds, 3¾% series, due Aug. 1, 1969.

C. E. Paige, President of the company, announced Aug. 3, 1944 that company had entered into a firm agreement with Halsey, Stuart & Co., Inc., for the sale of the proposed $30,000,000 of mortgage bonds and $12,000,000 of debentures. Halsey, Stuart & Co., Inc., has agreed to pay not less than 100 for the bonds as 3½s and not less than 100 for the debentures as 4s, providing the company will submit both issues to competitive bidding.

The New York State Public Service Commission previously had denied the company permission to sell the $30,000,000 of bonds privately to insurance companies and declared that both the bonds and debentures should be thrown open to competitive bidding.

In amendment filed with SEC Aug. 10 company proposes the issuance of $30,000,000 general mortgage sinking fund bonds due 1969 and $12,000,000 25-year sinking fund debentures due 1969. Both issues will be offered for sale by the company pursuant to Commission's competitive bidding rule U-50 and names of underwriters and interest rates will be filed by post effective amendment.

DERBY GAS & ELECTRIC CORP. has filed a registration statement for an undetermined number of shares of common stock (no par). Proceeds are to be used in connection with the acquisition of the securities of the Danbury & Bethel Gas & Electric Light Co., from Cities Service Power & Light Co. Filed July 24, 1944. Details in "Chronicle," Aug. 3, 1944.

EMPIRE DISTRICT ELECTRIC CO. has filed a registration statement for $10,600,000 first mortgage bonds, 3½% series due 1969, and 350,000 shares of common stock (par $10). The shares of stock are issued and outstanding and are being offered for the account of Cities Service Power & Light Co. The net proceeds to be received by Empire District from the sale of the bonds, together with the net proceeds from the sale of 6,500 shares of 5% cumulative preferred stock, par $100, which the company expects to sell contemporaneously with the issue and sale of the bonds are to be applied to the redemption at 101¾ of $10,044,900 first mortgage and refunding bonds, 5% series, due March 1, 1952, and to the redemption at 105 of $851,200 of Ozark Power & Light Co. first mortgage sinking fund 5% bonds due March 1, 1952, assumed by Empire. Empire District Electric Co. which is controlled by Cities Service Power & Light Co. proposes to acquire by merger the properties of Ozark Utilities Co., Lawrence County Water, Light & Cold Storage Co. and Benton County Utilities Corp. In conjunction with this merger Cities Service Power & Light Co. is surrendering all the securities of the constituent companies owned by it in exchange for an aggregate of 350,000 shares of common stock, $10 par, of the Empire District Electric Co. Both the bonds and stock will be offered for competitive bidding under the Commission's competitive bidding rule U-50. Names of the underwriters will be filed by amendment. Filed July 1, 1944, Details in "Chronicle," July 6, 1944.

EXCESS INSURANCE CO. OF AMERICA has filed a registration statement for 48,981 shares of capital stock (par $5). Shares are to be offered for subscription to present stockholders of record May 31, 1944, on a pro rata basis at $8 per share. Net proceeds will be added to company's capital and surplus funds. Unsubscribed shares will be sold to Lumbermens Mutual Casualty Co. for investment. Filed May 29, 1944. Details in "Chronicle," June 8, 1944.

FLORIDA POWER CORP. filed a registration statement for 40,000 shares cumulative preferred stock (par $100). The dividend rate will be supplied by amendment. Net proceds from the sale of the new preferred stock, together with additional funds from the treasury to the extent required, are to be applied as follows: Redemption of 28,762 shares 7% cumulative preferred at $110 per share $3,163,820; redemption of 5,940 shares of 7% cumulative preferred at $52.50 per share $311,850; donation to Georgia Power & Light Co. to be used for redemption of certain of its securities as provided in recap plan of that company $1,400,000; payment to General Gas & Electric Corp. for 4,200 shares of $6 preferred of Georgia Power & Light Co. $75,600, and expenses $80,000, total $5,031,270. Stock is to be offered for sale by the company pursuant to Commission's competitive bidding Rule U-50, and names of underwriters will be filed by post-effective amendment. The succesful bidder will name the dividend rate on the stock. Filed July 21, 1944. Details in "Chronicle," July 27, 1944.

GERMANTOWN FIRE INSURANCE CO. has filed a registration statement for 50,000 shares of common stock, $20 par, and voting trust certificates for said stock. Policyholders of Mutual Fire Insurance of Germantown are to have pre-emptive rights to subscribe for the common stock at $20 per share in proportion to the respective premiums paid by them upon insurance policies issued by Mutual. Voting trust certificates representing shares not subscribed will be offered to the general public at the same price. All stockholders will be asked to deposit shares in the voting trust for a period of 10 years. Bioren & Co. are underwriters. Filed May 29, 1944. Details in "Chronicle," June 8, 1944.

(This list is incomplete this week)

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Firm Trading Markets
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"Our Reporter On Governments"

JOHN T. CHIPPENDALE, JR.

There have been large purchases by trust companies in the last 10 days of the long-term 2½% Government bonds, and as a result these obligations are selling at their highest prices of the year. . . . It was learned that the trust companies have been making changes in the holdings of many of their trust accounts and in several instances have disposed of long-term low-coupon corporate bonds and reinvested the proceeds principally in the long-term 2½% Government bonds that have been offered in the various War Loan Drives. . . . It was reported that trust officers are of the opinion that the spread between high-grade corporate bonds and Government obligations has reached a point where it is now so narrow that it is no longer considered advisable to continue to hold the corporate obligations, since the differential between corporates and Governments is bound to widen from here on. . . .

Likewise, it is believed by many that the present time affords as good an opportunity, as may be presented, to make the change from corporates into Government bonds. . . . It was pointed out that at the conclusion of hostilities the supply of Government obligations will tend to decrease, while the amount of corporate obligations will tend to increase with a widening of the price spread between them. . . .

MARKET PROTECTION

The scarcity factor, which has been very important in the corporate bond market, will be eliminated, and with a larger supply of corporate bonds, prices lower than those presently prevailing are anticipated. . . . Through the purchase of the long-term Government bonds, trust funds are being invested in the best security in the world and one that has the best protected market in the entire bond group, since with large refunding operations to be carried out over a period of years, following the ending of the war, the Treasury, in order to do this successfully, must keep Government bond prices stable. . . .

These long-term 2½% bonds are marketable obligations, eligible collateral for loans and acceptable at par for the payment of Federal estate taxes, and at present prices are selling only about one-quarter of a point above par, all of which make them desirable investments for trust accounts. . . .

A comparison recently made of high-grade corporate bond yields and those of the U. S. Government obligations is as follows:

CORPORATE BONDS

	Price	Yield
Cleveland Electric Illuminating Co., 1st mtge., 3%, 1970	108½	2.55%
Consolidated Gas, Electric & Power Co. (Baltimore), 1st ref. mtge., 2¾%, 1976	104¼	2.55
Southwestern Bell Telephone Co., 1st ref. mtge., 3%, 1968	107¼	2.59
Boston Edison Co., 1st mtge, 2¾%, 1970	102⅞	2.60
Public Service Electric & Gas Co., 1st and ref. mtge., 3%, 1972	108	2.60
Philadelphia Electric Co., 1st and ref. mtge., 2¾, 1971	102¾	2.61
Dayton Power & Light Co., 1st and ref. mtge., 3%, 1970	106¾	2.63
Illinois Bell Telephone Co., 1st mtge., 2¾, 1981	102¾	2.63
Southern Bell Tel. & Tel., deb., 3%, 1979	108	2.65

UNITED STATES GOVERNMENT BONDS

Issue	Due	Price	Yield	Issue	Due	Price	Yield
2½%	6-15-1967-62	100.17	2.46%	2½%	12-15-1969-64	100.9	2.48%
2½	12-15-1968-63	100.10	2.48	2½	3-15-1970-65	100.9	2.48
2½	6-15-1969-64	100.9	2.48				

As is indicated by this study the differential between corporates and U. S. Government bonds of a comparable maturity ranges from only .07 in basis to .17 in basis in favor of the corporates, an extremely narrow margin and one that many believe must widen substantially in the future. . . . It is contended by experts on the bond markets, that high-grade corporate obligations will sell between .50 and .75 in basis above Government bonds of a similar maturity in the post-war period. . . . Based upon these ideas, it is indicated that the trust companies, in disposing of high-grade corporate bonds and reinvesting the proceeds in long-term Government obligations, are taking advantage of an opportunity which may not last too long. . . . It was also reported that many trust accounts have not replaced corporate issues that have been recently refunded with lower coupon obligations but have turned them in for redemption and reinvested the proceeds in the long-term Government 2½% bonds. . . .

MUNICIPALS LIQUIDATED

Some of the savings banks outside of New York City have been able recently to dispose of their municipal holdings of the smaller communities, at very high prices, and have used these funds to take up deferred subscriptions in the 2½% due 3-15-70/65. . . . The market for these lesser known municipal bonds was very limited, at present high prices, but has improved, now, that the communities which issued them are buying in their own bonds. . . . This has been of advantage to the savings banks which held these securities, since some of these institutions have not had the expected increase in deposits while others have lost deposits, which, if not for the sale of this type of municipal obligations, would have necessitated major portfolio changes in order to meet deferred commitments made during the last War Loan. . . .

PARTIAL EXEMPTS AND EXCESS PROFITS

The partially tax-exempt Government bonds gave ground again during the past week and it was reported that there were large blocks for sale in both the intermediate and longer-term obligations. . . . There appears to be considerable uncertainty concerning the future of these securities because of the favorable war developments. . . .

It was pointed out that at presently prevailing high levels, these securities are in demand only by those institutions that need excess profits tax exemption. . . . The prospects of an early ending of the war, together with the belief held by many in the financial district, that excess profits taxes will be among the first taxes to be reduced, are given as the reasons for the withdrawal of considerable of the demand that existed for these obligations. . . .

As a result the market for the partially exempt is very thin and is principally an "order market" with the dealers tending to stay close to the side lines pending further clarification of the situation . . .

TRADING ACTIVITIES

It was learned that some of the institutions have been trading out of the 2% due 12-15-51/49 at about 100 23/32 into the 2% due 9-15-51/49 at 100 24/32 at a differential of only 1/32, and in some cases it was reported this change had been made at the same prices for both securities. . . . It was pointed out that ordinarily for a three-months' difference in maturity the spread is about 4/32, but in this instance, with practically no differential existing, the December maturity is considered to be high and the September maturity low, and out of line, and this has brought about some switching in these two issues. . . .

Some of the dealers have been advising the purchase of the 2% due 9-15-53/51 at about 100 22/32 and the 2% due 6-15-54/52 at 100 15/32, since it is believed that these two securities are the most attractive of the 2% group. . . . One of the switches recommended was out of the 2% due 6-15-51/49 at 101 27/32 into the 2% due 9-15-53/51 at 100 22/32, since it is believed that the shorter maturity is very close to its top levels for appreciation, whereas the longer bond at these levels appears to have good possibilities for price betterment. . . .

Where the lengthening of maturity by slightly more than two years is not too important, this change results in the lowering of premium by more than a point, while income is increased from 1.60% for 2% due 6-15-51/59 to 1.90% for the 2% due 9-15-53/51.

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The Business Man's Bookshelf

Facts & Figures On Government Finance—The Tax Foundation, 30 Rockefeller Plaza, New York, N. Y.—paper.

International Currency Experience, Lessons of the Inter-War Period—League of Nations Publication 1944.II.A.4—International Documents Service, Columbia University Press, 2960 Broadway, New York 27, N. Y.—cloth—$3.25.

Post-War Monetary Plans and Other Essays—John H. Williams—Alfred A. Knopf, Inc., New York—cloth—$2.50.

Super Power Interesting

American Super Power preference stock offers interesting possibilities, according to a current analysis of the situation issued by John J. O'Brien & Co., 231 So. La Salle St., Chicago, Ill., members of the Chicago Stock Exchange. Copies of this analysis may be had from John J. O'Brien & Co. upon request.

Interesting Situation

Common stock of Central Vermont Public Service offers attractive possibilities, according to a memorandum being distributed by Buckley Brothers, 1529 Walnut St., Philadelphia 2, Pa., members of the New York and Philadelphia Stock Exchanges. Copies of this interesting memorandum may be obtained from Buckley Brothers upon request.

Howard Stores Corp.
National Airlines
Majestic Radio & Tel.
Bendix Home App.
Electrol, Inc.
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Construction Contracts Awarded In July

Private construction is playing a relatively more important part in building activity than it did a year ago. This fact was revealed on Aug. 14 in a report by F. W. Dodge Corporation on construction contracts awarded in July in the 37 States east of the Rocky Mountains. The report went on to say:

"The trend is most remarkable in residential construction where the relative positions of public and private construction have been reversed in a year, but it is being demonstrated in non-residential construction as well.

"In the residential field, public construction during the first seven months of last year represented 61% of the total as compared with 35% so far this year.

"Public construction represented 92% at this time last year as compared with 76% today in non-residential building. In this category are included commercial, manufacturing and educational buildings, hospitals, public and religious buildings, social and recreational buildings, as well as miscellaneous non-residential buildings.

"Although the total July construction volume of $190,539,000 exceeded by $6,878,000 the volume reported during the corresponding month of last year, the seven-month total for 1944 lags considerably behind the total for the January-July period of 1943. The comparative figures for the seven-month periods were $1,150,760,000 and $2,034,933,000, the Dodge company's reports show.

Interesting Situation

Aeronautical Products, Inc., offers an interesting situation according to a memorandum issued by Mercier, McDowell & Dolphyn, Buhl Building, Detroit, Mich., members of the Detroit Stock Exchange. Copies of this memorandum may be had from the firm upon request.

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The Commercial and FINANCIAL CHRONICLE

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Volume 160 Number 4308 New York, N. Y., Thursday, August 17, 1944 Price 60 Cents a Copy

The Financial Situation

Despite carefully worded denials of what has not been said, and other endeavors to gloss over facts or divert attention, the general subject of what is to happen to "Lend-Lease" when the war is over in Europe, and for that matter, when peace returns on all fronts, is very definitely in the minds of those who are indulging in post-war planning. No one need doubt for a moment that a number of the beneficiaries of this unique arrangement have for a good while past been conjuring up reasons why "Lend-Lease" should be continued for a space of years after the war. Nor is there much question hope exists for its indefinite continuance. Most important of all, there are those in this country—some of them not without influence, too—who appear definitely to entertain very similar ideas.

What Is "Lend-Lease"?

The American people would do well to set themselves straight on this matter of "Lend-Lease." Perhaps there is nothing else that this Administration has done which has met with such almost universal approval. It long ago became quite the thing to characterize this system as one of the "remarkable" inventions of the war — one which arouses both admiration and wonder that any one could have been so profound or so "bold" as to conceive it. In this situation grave danger lies. The truth is that "Lend-Lease" can be defended only as an instrument of war, and only upon the assumption that our interests were and are so involved in the destruction of the Hitler regime in Germany, the Mussolini government in Italy, and the Military clique in Japan that the costs of accomplishing these ends were and are of strictly secondary importance.

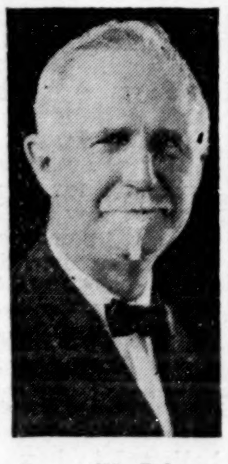
There is, of course, no question of the degree of our in-

(Continued on page 708)

Post-War Jobs

Roger W. Babson Says: "Prepare For Them Now"

BABSON PARK, MASS.—Many inquiries are coming to me from the families of Service Men regarding what their boys should do after returning home. Of course most of those who left good positions will be taken back by their old employers. On the other hand, a larger percentage of the men in our armed forces never had worthwhile, if any, positions. To these men I make the following suggestions.



Roger W. Babson

Opportunities Everywhere

A prominent magazine which was especially interested in developing national advertising once once employed me. The publishers were especially desirous for me to discover some product not now profitably marketed. After three months of intensive study I was forced to report that I was unable to find a single industry in which some concern, somewhere, was not already making millions. This included everything from cradles to coffins.

This is even more true today than it was at the time of this study. It shows that success depends upon the man rather than industry in which he is engaged or the locality where he works. This is especially important for young men to remember in this new age when they expect everything to be planned for them and when they will temporarily be seeking security rather than freedom.

What About Small Business?

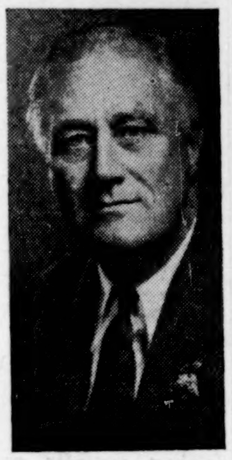
Opportunities are found everywhere for those with integrity, industry and the pioneering spirit. This will be truer after the war than ever before, although the temptation to "let George do it" will also be far greater. Although the small business man has a harder row to hoe than the big corporations, yet there may be more opportunity for the individual with the small business man. This is probably what the "Readers' Digest" has in mind in offering $25,000 in prizes in its August issue. The published answers to this inquiry will be very interesting.

The big business corporation has a momentum which carries it along through the power of organization and money together with the ability to use national advertising profitably. It is not so dependent upon the energy and imagination of any one individual. The small business man, however, is absolutely dependent for success upon a few exceptional men. Although as an investor I prefer to put my money into a large corporation, yet as a returning serv-

(Continued on page 711)

Roosevelt Stresses Need For Permanent Defenses Against Future Japanese Aggression

Following his 15-day inspection of the Pacific War Zone, President Roosevelt reached the Puget Sound Navy Yard at Bremerton, Wash., on Aug. 12, and in an address there he dwelt upon the need for preparation by the United Nations for permanent defenses against any future aggression by the Japanese. "It is an unfortunate fact," said the President, "that years of proof must pass before we can trust Japan and before we can classify Japan as a member of the society of nations which seek permanent peace and whose word we can take." The President observed that "in removing the future menace of Japan to us and to our continent we are holding out the hope that other people in the Far East can be freed from the same threat."



President Roosevelt

Stating that "we understand at last the importance of the Hawaiian Islands," the President said that "it is important that we have other bases—forward bases nearer to Japan than they lie. The same thing is true in regard to the defense of all the American republics from Mexico past the Panama Canal and all the way down to Chile. There are hundreds of islands in the South Pacific which bear the same relation to South America and the Panama Canal as Hawaii bears to North America. These islands are possessions of the British Empire and the French. They are important commercially just as they are from the defense point of view. . . . We have no desire to ask for any possessions of the United Nations. But the United Nations who are working so well with us in the winning of the war will, I am confident, be glad to join with us in protection against aggression and in machinery to prevent aggression. With them and with their help I am sure that we can agree completely so that Central and South America will be as safe against attack from the South Pacific as North America is going to be from the North Pacific itself."

In his address, broadcast from Bremerton, the President also said that "on my return to Washington I am going to set up a study of Alaska and the Aleutian Islands as a place to which many veterans of this war, especially those who do not have strong roots in their own homes, can go to become pioneers. It is a land with a small population but which I am convinced has great opportunities for those who are willing to work and to help build up all kinds of new things in new lands."

The President also made mention of the fact that "more than a million of our troops are overseas in the Pacific," adding: "The war is well in hand in this vast area, but I cannot tell you, if I knew, when the war will be over, either in Europe or in the Far East or the war against Japan."

The Associated Press reports that the President's speech was delivered from the base on a gun mount of the destroyer which brought him into the heart of the Navy Yard. His visible audience, said the press advices, consisted of sailors, Navy officers and workers who lined the dockside to hear the Chief Executive's first speech since he accepted the Democratic renomination on July 20.

It was made known on Aug. 10, in delayed press advices from Honolulu, that on July 29 the President had concluded three days of military conferences with Admiral Nimitz and Gen. Douglas MacArthur in Hawaii. The President's address as given in Associated Press accounts, follows:

It is just 30 days since I left Washington, but I have been at all times in close touch with the work there and also in daily communication with our forces in the European and Far Eastern theaters of war.

Text of the President's Address

It is good to come back to the Puget Sound Navy Yard for, as you know, I have been coming here off and on since 1913 or 1914. Since my visit here nearly two years ago I am glad to know of the splendid progress that is being maintained both here and at many places on the Pacific Coast in turning out ships and planes and munitions of almost every variety and in the training of men for all of the armed forces. So I have thought that you would be interested in a brief summary of my visit to Hawaii and to the Aleutian Islands and Alaska from which I am about to step foot on shore in the continental United States.

When I got to San Diego and for three days before going on board ship, I had the opportunity

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*These items appeared in our issue of Monday, Aug. 14, on pages indicated.

From Washington Ahead Of The News

By CARLISLE BARGERON

By way of getting at what people think, an interesting industry in these days of so-called manpower shortage, we had quite a conversation with our colored maid the other day. We asked her in what we thought was quite a disinterested way, how she intended to vote. She allowed that she had been turning this very serious question over in her mind, and had finally concluded that while she didn't think one man ought to be in office all the time, she felt forced to vote for Mister Roosevelt this time because he is the Commander-in-Chief and we shouldn't change horses in the middle of the stream.

Carlisle Bargeron

Further probing of this interesting stream of thinking developed that there is not a single one of her loved ones in the war, not even a boy friend.

The only reason we tell the story is that we have been talking with a lot of other colored people besides our maid; indeed, we have made quite a study of how the Negroes intend to vote. One of the greatest disillusionments the Republicans are in for is that the Negroes intend to vote for them. It is a fact that there are indications all over the country that they do intend to vote Republican, such as overwhelming Republican registration of Negro voters in many places.

But make no mistake about it, they still intend to vote for Mr. and Mrs. Roosevelt. As we understand it, from talking with them, they aren't Democrats, they fully appreciate the Southern anti-Negro influence in the Democratic councils, and they intend to go back voting for the Republicans the minute Mr. and Mrs. Roosevelt cease to be the Democratic candidates.

The Republicans have a platform which far outbids the Democrats for Negro support. For one thing, it promises a permanency of the Fair Employment Practices

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Believe It Or Not

"As the liberation of France is well under way, it is now possible to indicate the scope of a plan, long in preparation, for supplying the French people with food, clothing and medicines, and of a far vaster program, now approaching completion, for the reconstruction of French economic life during the first three years after the end of the war by providing, mainly from the United States, raw materials, industrial machinery and transportation equipment.

* * *

"The larger and longer program—that of restarting economic life and production with new equipment—would extend for three years after the end of the war. It would cover the supplying of some foodstuffs, but it would mainly concern the supplying of raw materials, industrial equipment and transportation requisites.

"In Washington recently this correspondent learned that the tentative figure for the cost of this program had been put at $2,000,000,000. To those discussing it there this seemed a moderate sum. It is here that the huge productive capacity of the United States—which, during this reconstruction period will be in a transition from a war to a peace basis and in need of markets—would assist France by providing railway equipment, building materials and machinery for the restoration of the French economy and, with it, the restoration of French morale and French power.

"Seldom, if ever, has one great nation been in a position to do so much for another—not as a gift but, as those conversant with the project point out, as a business transaction of mutual benefit."—Harold Callender, N. Y. "Times" correspondent writing from Algiers.

So idyllic are these programs—of which this is only one—that it appears almost sacrilegious to ask who is to pay the American workmen and all the others who would thus set the French up in business.

But it would be well to think of that aspect of the matter!

American Legion To Ask Congress For Compulsory Military Training

Warren H. Atherton, National Commander of the American Legion, said in Indianapolis on Aug. 12 that the Legion intended to seek adoption by Congress and the American people of measures looking toward universal military training before the end of the war. Associated Press dispatches from Indianapolis, from which the foregoing is learned, went on to say:

"Mr. Atherton said the Legion had begun mobilizing all its national defense and legislative forces for the drafting of universal military training legislation to be presented to Congress after the twenty-sixth annual Legion convention in Chicago next month.

"The bill to be presented to Congress may advocate compulsory military training for all males between the ages of 18 and 23 years, with subsequent transfer to the reserve, and it would call for the plan to become operative with the expiration of the Selective Service Act."

Mr. Atherton released a letter from Henry L. Stimson, Secretary of War, a Legionnaire, declaring that "the most important provision which can be made by the Congress and the American people for the future defense of the nation is a system of universal military training."

A partial text of the Stimson letter released by Mr. Atherton follows:

"It is my view that the most important provision which can be made by the Congress and the American people for the future defense of the nation is a system of universal military training. The terrible lessons of this war should convince every thoughtful American that reasonable military preparedness is the only means by which the peace and security of the nation can be maintained.

"This great war found the United States woefully lacking in trained military man power and we were consequently forced to assume the defensive until adequate forces could be assembled, trained and equipped. While all Americans hope and pray that this disastrous war will be followed by many years of peace and prosperity, there can and will be no absolute guaranty that surprise attacks against our country will not occur in the future.

"If the Americn people should adopt the principle of universal military training it would be the strongest possible assurance to the rest of the world that, in the future, America will be not only willing but able and ready to take its part with the peace-loving nations in resisting lawless aggression and in assuring peaceful world order.

"In addition to its military advantages, I believe that universal military training, properly conceived and administered, would be of great peace-time benefit to the young men of the nation. They will receive more than they give. They will have the benefits of a system of physical culture and will develop disciplined habits, which will add to their health and future life expectancy. They will be stronger and better men for the country's defense and for themselves. Young men with the gift of leading other men will have that great gift disclosed and developed early in life. They will have learned much in their period of training that will be valuable to their peace-time pursuits. I have noted, as have you, the alarming percentage of young men physically unfit to defend the country which our war-time system of military service has disclosed.

"We must not accept the philosophy that this war will end all wars and that there will never again be a need to resort to arms. From all that experience and history can teach us we will be improvident if we do not adopt a sound peace-time nation-wide form of military service. Our failure to do this in the past has twice induced Germany to feel that she could ravage the world before we could gain sufficient strength to block her.

"I strongly urge that this country adopt universal military service as a basic step in the preparation of this country for war and as a very good means of our avoiding war."

See Increasing Govt. Control Over Cotton

Increasing government control over the distribution of cotton textiles, with much heavier percentages of production directed through systems of graded priorities into specific end-uses not only for the war effort but in fields previously reserved for unrated civilian business were foreseen for the remainder of the war period by W. Ray Bell, President of The Association of Cotton Textile Merchants of New York, on August 11.

In the Association's 13th annual survey of the cotton textile situation, made available on that date, Mr. Bell pointed out that diminishing supply and greater war needs than had been foreseen necessitated the institution of drastic changes in distributive regulations at the outset of 1944. "There is every indication," he said, "that strict regimentation of cotton goods distribution will continue to be the outstanding feature of the year, barring an early ending of the war."

Mr. Bell pointed out that freezing of looms early in the year and channelling of goods for war purposes and for "essential civilian" items such as industrial, bag, and electrical uses, fabrics for plastic laminates, abrasive and buffing cloths, and for work clothing and other purposes, had been followed just recently by new type priorities under the M-385 order which sets a new pattern of control for those performing the converting function. He points out that where some 71% of unfilled orders on the books of mills were at last report under war and essential civilian priorities, the new converting priority will cut by 20 to 50% on given fabrics into the hitherto unrated civilian supply balance of about 29%. This order and amendments to it, he notes, probably will result in "a substantial curtailment of so-called luxury lines for the balance of the war period."

The 10-year survey disclosed a 25% shrinkage in cotton spindleage in that period, with a half million spindles going out of business last year in the face of an unequalled demand for all types of cotton goods. Less than 30% of spindleage, it stated, is under 18 years of age. Despite such physical handicaps, the industry made a creditable showing in 1943, with 11,663,506,000 square yards produced, according to Association figures. Manpower losses received chief blame for production declines but "failure of OPA to rectify inequitable price ceilings or to appraise properly the practical and psychological effect on the industry of ill-advised price policies" also contributed to the lesser output than in 1942. "Total production for 1944," the report said, "can hardly be expected to reach above 11 billion square yards and most probably will be short of that figure."

The State Of Trade

The overall picture of business and industry the past week continues to reflect favorable results. On the military fronts in all parts of the globe Allied forces continue to more than hold the initiative, with the time fast running out for the enemy. So confident is General Dwight D. Eisenhower of victory in the near future, he was moved to declare in an order of the day, which we reproduce in part, "Allied soldiers, sailors and airmen: through your combined skill, valor and fortitude you have created in France a fleeting but definite opportunity for a major Allied victory, one whose realization will mean notable progress toward the final downfall of our enemy." On Tuesday of this week following General Eisenhower's statement we were to learn that Allied troops invaded the South of France in one more phase of the major blow against the Germans.

The stock market last week following declines of a week or more moved forward in laborious fashion on a volume, on some days that exceeded the million share mark. The course of events on the military fronts provided some stimulus, but caution for the most part was a guiding factor in the market's actions. Business failures again declined the present week and department and retail store sales for the nation at large in the week were 4% ahead of sales for a like week over one year ago, while in New York they rose by 7% for the same period. Wholesale food prices also nosed downward in the week from $4.03 to $4.01. Turning to crop reports, we note that the Agricultural Department, despite the July heat and drought increased its estimate on Spring wheat yield over the July 1 forecast by 4,283,000 bushels. As for the corn crop, indications point to a lower yield from the Department's earlier forecast one month ago.

Chain and mail order sales, it is noted, advanced by 4% for both June and the first-half of 1944 over corresponding periods of 1943. Electric kilowatt output increased in the week by 3.7% over one year ago, with crude oil production improved for the week and year. The steel industry was lower by 1% the past week, but the decline is not significant when viewed from actual conditions prevailing in the industry and its record output to date. Freight carloadings were also off for the week, but reflected a gain above a year ago of 2.1%. Other industries showing declines for the week included coal and paper output, while for the month of July refined copper production was slightly lower and the same held true for newsprint production in North America. Lumber shipments advanced 0.6% above production on Aug. 5, last, with new orders 5.5% below output for the same period.

German War Production—A confidential survey by Foreign Economic Administrator Crowley reports the "nearly hopeless position of the enemy by the end of this year." Germany has fought the war until 1944 always within the limits of her power and always with a margin for greater exertion if necessary. Today with the Allied victories in Italy, the landings in Normandy and the new Russian attacks, almost all margins are drawn. . . . Germany today lacks the economic foundation necessary to meet the full scale of Allied attack on the Eastern, Southern and Western fronts."

Business Failures—Business failures in the United States declined for the period ended Aug. 3, to 15 from 19 in the previous week and 51 in the corresponding week of 1943, Dun & Bradstreet reports. Concerns failing with liabilities of $5,000 or more numbered 11 compared to 10 in the previous week and 28 one year ago. There were no Canadian failures this week, or a year ago, but there were two last week.

Weekly Wage Earnings—A survey recently made by the National Industrial Conference Board shows a continued advance in weekly wage earnings in 25 industries. Weekly pay checks averaged $48.51 in May this year compared with $45.92 in May last year.

Money in Circulation—The Treasury Department figures show a rise of $222,734,903 to $164.54 per capita of money in circulation since June 30 of this year to a total of $22,726,812,783 on July 31, 1944. It is interesting to compare this figure with $22,504,077,880 on June 30, 1944, $17,954,587,757 July 31 a year ago, $5,698,214,612 Oct. 31, 1920, $4,172,945,914 March 31, 1917, $3,459,434,174 June 30, 1914, or $816,266,721 Jan. 1, 1879, when the per capita was $16.92.

Steel Industry—The American Iron and Steel Institute announced last Monday that the operating rate of steel companies (including 94% of the industry) will be 96% of capacity for week beginning Aug. 14 compared with 97% one week ago. This week's operating rate is equivalent to 1,719,600 tons of steel ingots and castings compared with 1,737,500 net tons last week and 1,710,900 tons one year ago.

The steel industry has been able to maintain the steel ingot rate at 97.5% the past two weeks, states the "Iron Age" in its current issue, notwithstanding earlier confounding predictions this year, some by its own members, in the face of extremely hot weather, labor shortages and the vacation season. What the industry has achieved, says the magazine, "is considered amazing in view of the stumbling blocks spread along the steel production path in the past several months. Later revision in capacity rate figures is not expected to alter current results in any appreciable degree.

As an evidence of the confusion of thought existing today in places where you would normally not expect to find it, the following from the "Iron Age," will serve as an example:

"In the face of this outstanding steel record in recent months comes the prediction this week by the WPB that steel output in the fourth quarter may run between 94 and 95% of capacity. The only time in recent months that the steel rate sagged to 95% was in the Fourth of July week when some plants were shut down for the holiday. Since that time raw steel output has been maintained at or above 96% of capacity. Whether or not the rate will drop as low as that predicted by the WPB remains to be seen. The prediction is said to be predicated upon a steel manpower deficit of 50,000 workmen. Defeat of Germany by the fourth quarter of this year would in itself cause a temporary sharp drop in steel ingot production following drastic cutbacks, but this factor is not believed to have been present in the WPB forecast."

Order volume for steel last week showed no signs of slackening, continuing at recent high levels. The magazine, in its feature article, "This Industrial Week," describes the situation with clarity and brevity as follows:

"Even though orders were pouring in to steel mills and were, in most cases, in excess of shipments, steel customers generally were putting their houses in order for sudden cancellations of war contracts. Closer inventory control was evident everywhere this week. The 60-day WPB in-

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Food For Liberated Population Of Europe Increasing Problem, Says Guaranty Trust Co.

Pointing out that the provision of food for liberated populations will become an increasing problem, as the Allied drive in Europe gains momentum, the Guaranty Trust Company of New York, in the July 25 issue of "The Guaranty Survey," its monthly bulletin of economic conditions, says that "every advance toward the ultimate victory will increase the demands on the food resources of the United Nations and will emphasize anew the importance of food as a weapon in winning the war." "Even before the fall of Rome," says "The Survey," "the flow of relief supplies to Italy had attained a volume of 100,000 tons monthly, most of which consisted of foodstuffs. The conquest of the Italian capital is estimated to have added more than two million persons to the number whom the Allies have assumed responsibility for feeding. The warning to the French people to store food during the weeks preceding the invasion of Normandy may be taken to imply that, as the battle lines move forward, the task of furnishing essential food supplies for civilians will be taken up by the Allied military authorities." In part, "The Survey" also has the following to say:

"On the whole, the food situation at the beginning of the great Allied drive for victory in Europe warrants satisfaction. Supplies are large; but requirements will mount as new territory is occupied, and the increase will probably continue for some time after hostilities end. The outlook is better than seemed probable a year ago, but it is not such as to justify any relaxation of efforts to attain maximum production of essential foods.

"Abroad, the reconquest of the Ukraine has lightened Russian requirements for imported food. The people of Great Britain have achieved wonders in expanding their food supply under the handicaps of limited farm areas and competing requirements for manpower. The decline of the submarine menace has relieved the pressure on shipping facilities and permitted the accumulation of large stocks of foodstuffs close to the areas where they will be needed.

"Greece and Poland have experienced the worst conditions. France has been adversely affected by heavy deliveries to Germany and by the lack of imports from North Africa, but last year's harvest was larger than that of 1942 and has prevented a further decline in food supplies. Conditions in Belgium, Norway and Spain are described as unfavorable, and even in Swithzerland food consumption in the cities is said to be considerably below prewar levels. Denmark appears to have fared better than most other countries under German domination."

As to conditions at home, "The Survey" says:

"From the standpoint of war relief, one of the most favorable developments of recent months in the American supply situation is the unexpectedly favorable progress of the wheat crop, since wheat and flour are among the most suitable foods for relief purposes. With the winter wheat crop virtually assured, the year's output of all wheat is officially estimated at more than 1.1 billion bushels, the largest crop in history and 35% greater than last year's harvest. The outlook for corn also is favorable, with a prospective crop somewhat below that of last year but far greater than the average.

"Private estimates indicate that meat production as a whole this year will be 25% smaller than in 1943, although it will exceed the average for the last five years. . . .

"Although food production as a whole has attained levels for beyond earlier expectations, official policies continue to reflect great caution. It is recognized that food supplies depend largely on weather and that the exceptionally long period of favorable climatic conditions which has made possible the remarkable record achieved thus far cannot safely be relied upon to continue. An illustration of this uncertainty has been seen recently in the persistent rains that interfered with the planting of corn over wide areas, a situation that could produce very serious results by exposing the late crop to the danger of frost. There are, moreover, other factors than weather that may tend to reduce food supplies. One of these is the inadequate amount of farm machinery produced in recent months.

"Another source of anxiety is the farm labor situation. Here, as in the case of agricultural machinery, the outlook is less unfavorable than it was a year ago, mainly because of changes in official policy designed to provide farmers with the help they must have if the supply of food is to be maintained. . . .

"Transportation, another vital factor in the maintenance of food supply, is apparently becoming a more serious problem than ever before. The railroads appear to be meeting the unprecedented demands on their facilities with conspicuous success. Reports indicate, however, that farmers are having increasing difficulty in keeping their own trucks in serviceable condition."

U. S. Govt. Manual Summer Edition, Ready Sept. 21

The summer 1944 edition of the United States Government Manual, the official handbook of the Federal Government, will be available for distribution after Sept. 21, the Office of War Information announced on Aug. 8. The print order on the manual is being limited because of the paper shortage, and individuals and firms that use the manual are asked to place their orders in advance of the publication date so that their requirements may be covered.

The manual can be ordered at a cost of $1 a copy from the Superintendent of Documents, Government Printing Office, Washington 25, D. C. Large business organizations may obtain a discount of 25% on orders of 100 or more copies that are delivered to one address. The new summer edition includes data on Government agencies and activities in the war program that have come into existence in recent months as well as revised information on all departments, agencies and the branches of the Federal Government.

Norfolk Cotton Exchange Suspends Quotation Service

Under date of Aug. 1 Associated Press advices from Norfolk, Va., to the New York "Herald Tribune" said:

"Quotation service has been suspended by the Norfolk Cotton Exchange due to the low volume of business here and the lack of storage and other facilities, John S. Jenkins, President of the Exchange, announced today.

"Only two spot-cotton firms are now active here and since much of the property used by the Exchange was taken over by the Navy a year ago there is storage space for only about 15,000 bales as compared with 400,000 formerly, Mr. Jenkins said.

"He added that the two spot-cotton firms would continue in business, most of the cotton being handled at other points."

1944 Cotton Loan Program

The War Food Administration through the Commodity Credit Corporation will make loans on 1944 crop cotton, it was announced on August 4. The average loan rate for ⅞ inch Middling cotton gross weight, will be 19.50 cents per pound, which is 92.5% of the parity price of cotton as of August 1, 1944. The parity price on August 1, was 21.08 cents per pound, gross weight. Last year the average loan rate (90% of parity) for ⅞ inch Middling cotton, gross weight, was 18.41 cents per pound. The advices from the Department of Agriculture also state:

Premiums and discounts for grade and staple in the 1944 program will be calculated in relation to the loan rate on 15/16 inch Middling cotton. The average rate for 15/16 inch Middling cotton will be 105 points (1.05 cents per pound) above the average rate for ⅞ inch Middling cotton. As in previous programs, the loan rate will apply to the net weight of the cotton. The net weight loan rate will be 85 points above that for gross weight to compensate for the lesser number of pounds on which the loan is made. The average loan rate for 15/16 inch Middling cotton, net weight, will be 21.40 cents per pound. The schedule of premiums and discounts for grade and staple applicable in the 1944 loan program was issued by the War Food Administration on March 3, 1944.

The loan rates will vary according to location. The rate for 15/16 inch Middling cotton, net weight, will vary from a high of 21.94 cents per pound in the concentrated mill area of the Carolinas to 20.73 cents per pound in Arizona and California.

Location differentials for warehouse points will be based on freight rates to the mill area of the Carolinas, except in eastern Mississippi, eastern Tennessee, Virginia, North Carolina, South Carolina, Georgia, Florida, and Alabama where a zone system will be in effect. The accompanying schedule defines the mill area and shows the variation in loan rates by counties for the zoned area.

Loans will be made directly by the CCC or through lending agencies, principally banks, approved by the Corporation. Requests for approval as lending agencies should be directed to Commodity Credit Corporation, Regional Office, New Orleans, Louisiana.

The State and county Agricultural Adjustment Agency committees in the various States will designate persons as clerks to assist producers in preparing and executing loan papars. Bona fide employees of Production Credit Associations chartered by the Farm Credit Administration, of banks approved by CCC as lending agencies, and of warehouses approved for the storage of loan cotton, and county AAA officers will be designated as clerks, In addition, employees of other groups, such as cotton factors, ginners, cotton buyers, or others who have adequate facilities to perform the services required of a clerk, may be approved upon the recommendation of the county committee to the State AAA committee.

Cotton Producers' notes will bear interest at the rate of 3% per annum and will mature July 31, 1945, but will be callable on demand. Loans will be available until May 1, 1945.

Loans will be made on cotton represented by warehouse receipts issued by warehouses approved by CCC and on farm-stored cotton secured by chattel mortgages. Cotton to be eligible for the loan must be classified by a Board of Cotton Examiners of the War Food Administration.

Producer eligibility requirements are defined in the cotton loan instructions.

Loan forms are being made available through approved cotton warehouses and the county agricultural conservation committees.

Corp'n Reserves For Post-War Contingencies Will Not Suffice For All Demands, Res. Bd. Warns

Discussing "Business Finance in the War," the Board of Governors of the Federal Reserve System finds that "broadly speaking the financial position of business concerns has been strengthened by increased earnings derived from the growing volume of business, in both war and civilian activities." Setting out its views in its July "Bulletin" the Board goes on to say that "dividend payments to stockholders have not increased appreciably and a large proportion of earnings, after payment of taxes, have been retained by business."

"In addition," the Board adds, "increased allowances for depreciation have recently been well in excess of the declining amounts of capital expenditures, and many corporations have also set up large reserves for post-war contingencies."

It is likewise noted by the Board that "liquid assets of corporations, particularly bank deposits and holdings of Government securities, have shown a rapid expansion in the war period, and it appears from the rather limited data available that unincorporated businesses have also increased their holdings of such assets."

All of which prompts the Board to say:

"These accumulated liquid resources will be of help to business in meeting the problems of conversion from war to peace activities. It should not be concluded, however, that they are adequate to meet all the volume and nature of the demand for its products. If production and sales are in sufficient volume to maintain reasonably full employment, demand for peace-time products will be much above pre-war levels. In this event many businesses are lakely to find their resources inadequate and will need outside financing to expand their facilities."

In part, in its comments the Board also says:

"In the process of passing through the reconversion adjustment to subsequent expansion, the liquid assets accumulated during the war will prove useful, though their adequacy for particular firms will necessarily be qualified by the circumstances in which such firms end the war period. These circumstances will include such factors as the condition of operating properties, the situation with respect to civilian markets, the assets to be replaced, the character of liabilities that may have to be retired, and the existence of banking arrangements to finance the various requirements. Because of these qualifications, the ability of individual businesses to finance their reconversion needs can not be measured solely by the extent to which liquidity has increased or declined.

"Increase in liquid assets has been the outstanding aspect of war-time business finance. More important from the long-run standpoint, however, has been an increase in underlying business strength as represented by larger equity positions. This strengthening has come mainly from higher levels of retained earnings, which have been reflected in debt retirement and enlargement of operating property, as well as in larger net working capital. In the case of some war producers the underlying position may be further improved after the war by opportunities to purchase Government properties at lower cost than would be required for comparable facilities on a new basis, and by the remission of taxes for various war costs and losses already provided for in published earnings reports.

"The full extent of any net gain by business from war-time experience can not be finally assayed until some time after the war is over. In a real sense wartime and early post-war experience should be viewed as a single accounting period; the allocations of many gains and losses to individual years are highly provisional, since they involve various estimates as to what the entire war and its settlement will bring. It is in the nature of managerial responsibility that these estimates lean on the conservative side—that is, they tend to underestimate gains and to overestimate losses. This tendency suggests that the final accounting is likely to show somewhat more improvement in business positions as a result of the war experience than has yet been indicated in published statements, but this prospect could be changed by developments of an unfavorable nature."

ABA Ready With Bond Redemption Procedure

In anticipation that the Treasury Department would utilize the facilities of banks of the country in making direct redemption of certain classes of United States Savings Bonds, A. L. M. Wiggins, President of the American Bankers Association, named a Special Committee on War Bond Redemption which has been maintaining direct contact with the Treasury Department on this subject for a period of several months.

As it is indicated that banks will be asked to assume these duties shortly, this Special Committee reports, "When the decision is made, this function may be assumed by banks and trusts companies incorporated under general or special laws of the United States, the District of Columbia, any State, territory or insular possession of the United States and the Canal Zone." The Committee goes on to say:

"It is contemplated that this program may start on Oct. 1 of this year although no decision has been reached. It is expected that in the event a decision is made regulations and instructions will be issued to banks one month prior to the effective date. Assurance can be given that a procedure for redeeming savings bonds will be worked out on a streamlined basis that will be designed to reduce bank operations to a minimun. The plan contemplates that a bank will not be required to complete the certification form on the back of the bond when it is presented for payment.

"After this program goes into effect holders of United States Savings Bonds can go to any qualified bank and upon presenting identification satisfactory to the bank receive immediate payment for their bonds in cash."

Members of the Special Subcommittee on War Bond Redemption include: Nelson B. O'Neal, Vice-President, The Riggs National Bank, Washington, D. C., Chairman; John S. Gwinn, Executive Secretary of the Massachusetts Bankers Association, Boston; Clyde D. Harris, President, First National Bank, Cape Girardeau, Mo.; C. Edgar Johnson, Vice-President, First National Bank, Chicago; James H. Kennedy, Vice-President, Philadelphia National Bank, Philadelphia; Robert W. Sparks, Vice-President, Bowery Savings Bank, New York; Russell B. Stewart, President, The Miami Deposit Bank, Yellow Springs, Ohio; Burr S. Swezey, President, Lafayette National Bank, Lafayette, Ind.; William T. Wilson, American Bankers Association, New York, Secretary.

The Financial Situation

(Continued from first page)

volvement at the present time. Whether the same or similar situation in the final analysis existed at the time "Lend-Lease" was inaugurated is now hardly of more than academic interest. Once we undertook the task of defeating Germany, Italy and Japan, whatever the motives or the reasons, we were obliged to consider the most expeditious mode of procedure. Once that was done, it became obvious that it would "pay us" in a military sense many times over to help arm certain of our Allies quite regardless of whether they would or could repay us the cost of the supplies or the services rendered. In undertaking any such task in any such way, we inevitably ran the risk of being imposed upon—and we may well have already been imposed upon—but that too was and is one of those things which is of less importance than the defeat of the enemy with the utmost dispatch.

Term Is Misleading

It would have been better and much less likely to mislead had the term "Lend-Lease" never been applied to the system. It is rather more than a little absurd to "lend" perishable foodstuffs to peoples half-way round the world, or to "lease" munitions of war destined in normal course to be fully and thoroughly "consumed" in battle. Payment after the war "in kind," if not by return of the identical item, is about equally absurd, and in those instances where not absurd, about as beset with difficulties as the money repayment of the debt growing out of World War I. "Lend-Lease," as actually practiced, has gone far beyond merely "taking the dollar sign off" the transactions in question, as the President once remarked. What we have done in effect is to pool resources, production capacity, and all the rest without stopping for a moment to consider what part of the cost is borne by any nation. This may have been, it probably was, the best way to win this war.

But what has all this to do with peacetime? Obviously those who would have us continue the system after the war are under the necessity of presenting a case for their contention. Certainly no case for any such action lies in the arguments which led to the original installation of the system. Whatever they—whether foreign recipients or professional squanderers here on our own soil—may say, the American people would do well to remember at all times that what is being suggested is that they make outright gifts, or the practical equivalent, to various peoples and nations of the world. "Reverse Lend-Lease" even in wartime is without doubt greatly overplayed, and may have made too much of an impression upon the man in the street. What is suggested by some for the post-war period is hardly other than plain charity—no matter by what name it may be called.

Current Nonsense

There are those, of course, who, overly impressed by all the talk about "Lend-Lease" working both ways and the like, and more than a little inclined to think along socialistic lines in any event, seem to suppose that some new principle of economics or of social behavior has been discovered. At the very least they appear to argue that a simple and effective method of trading with the other peoples of the world has been devised, one which, moreover, has within it the remarkable ability to circumvent the exchange difficulties likely to be encountered after the war. But, of course, all this is simply nonsense. If, as these dreamers assert, this country after the war will have a great deal that is needed abroad, and that other peoples will also have much that we shall want—if this is the fact of the situation, then why not buy what the foreigners have and sell them what they want of ours in the normal course of international trade? The sales pay for the purchases. That is what trade is. Why all the paraphernalia of "Lend-Lease" to effect what has been taking place of its own accord through the ages?

Bread Upon the Waters?

Then there is another school of thought, if such it may be termed, which holds in effect that in the field of economics as well as in other departments of life, bread cast upon the waters, returns several fold after a relatively small number of days. Here are the advocates of the TVA's on the Danube, the milk for the Hottentots, and the others of the same ilk. They apparently believe that we can make ourselves rich by mere giving away our wealth. To them such a system as a post-war "Lend-Lease" would be a God-send. It would afford a mechanism through which much could be given away, and prosperity (so they would say) assured abroad, and therefore at home for many years to come. Such argument appears so silly to us that we find it difficult to believe that the American people will be greatly misled by it.

Yet this whole movement for extension of "Lend-Lease" into the post-war period is not without hazard. We should do well to get our thinking straightened out about all these things, and without delay.

From Washington Ahead Of The News

(Continued from first page)

Committee which the Democratic platform does not do. The Negroes know, too, that had it not been for the Republicans, the Democrats would have killed that committee off by denying it any further funds; that is, the Southern Democrats. But for the time being, Mr. and Mrs. Roosevelt are their platform.

Nothing has more emphasized this than the recent Philadelphia spectacle. Democratic platform or no platform, the Negroes have seen the Commander-in-Chief move troops in to protect the upgrading of Negroes which had been ordered of the Transit Company by the FEPC. This is, incidentally, the first instance in which the troops have moved in and protected the "new" situation, not the status quo. Heretofore, where a matter of wages or union recognition was concerned, the troops maintained the situation as it was before the dispute. In Philadelphia, the upgrading was maintained.

As we look over the country and study every analysis that is available to us, it is our firm conviction that the Republicans are coming into power. The Gallup Poll, for example, would certainly indicate this, and we doubt that the Dewey people, themselves, realize the trend in their favor. It is a trend in favor of a MOVEMENT.

But it will not be any overturn of the Negro vote that will bring this victory about, and it occurs to us that the Republican managers will be better off if they recognize it. Let's take the Philadelphia situation for example. Mr. Roosevelt's action tended to solidify the Negro vote in that State for him. But, on the other hand, it tended to alienate those motormen and conductors who were making the fight, and we all know that they are not of the highest mentality in the world, and that it is such stuff as this that would offset their affection for the man who "has done so much for the laboring man." They would ordinarily be Roosevelt supporters. But this same ignorance would tend to throw them against him because he "forced them to work with Negroes on an equal plane."

We certainly would not suggest to the Republicans that they go out and make anti-Negro campaign, or a campaign anti concerning any of the other minority groups. But it does strike us that it isn't going to do them any good to keep trying to appeal to these groups, when in doing so everybody knows that is what they are doing, and hypocritically so. They are likely to lose far more than they will gain.

This writer has been quite dubious about the stuff of the return of the Negro voters to the Republicans for many months. We have quizzed the Negro leaders who insisted this was true. We have asked them why. And the best answer they have been able to give is that the Negroes are quite burned up about the New Deal because they have put Negro soldiers in road building battalions, generally speaking, and kept them out of combatant outfits where they might be killed.

That, to us, is sheer bunk. We don't know of any white soldiers who feel that way.

WMC Plan For Hiring Men Through USES Held Not Compulsory For New York City Employers

Employers in New York City may regard the War Manpower Commission's Controlled Referral Plan requiring the hiring of most male employees through the U. S. Employment Service as not compulsory and should consider the penalties cited in conjunction with the plan as "having no legal basis," according to an interim report made public on Aug. 8 by the Chamber of Commerce of the State of New York. The report pointed out that the WMC plan, which was put into effect by order of Chairman Paul V. McNutt on July 1, had no specific statutory authority from Congress and that legal research failed to find any laws granting such authority.

"In fact, only the vague War Powers Act gave the slightest foundation for such an assumption of authority," the report said. New York City is in a non-critical area and its labor situation is "reasonably satisfactory," but there are serious obstacles to moving many of its workers to critical areas, it is declared by the Chamber's Special Committee on Manpower Legislation, which drew the report. The report also said:

"The War Manpower Commission appears to think that its Controlled Referral Plan may enable the United States Employment Service to move many employees from New York to critical areas, but there are serious obstacles in trying to persuade employees to move from non-critical areas to cities in which the labor situation is critical. Among these are lack of housing and unwillingness to leave their homes."

The recommendations of the Committee, of which Gilbert H. Montague is Chairman, as to the authority of the WMC plan as it affects New York City, were mailed to members of the Chamber on Aug. 8. They follow:

"The Controlled Referral Plan is not compulsory in character but in fact is voluntary;

"The coercive threats, implied or actual, inserted into the order by various regional and local War Manpower Commission offices should be viewed as being contrary to the intended voluntary character of the Plan and as having no legal basis."

The report, which represents only the opinion of the Committee until it is acted upon by the Chamber as a whole, concurs in the position taken by the board of directors of the Chamber of Commerce of the United States in regard to the application of the Controlled Referral Plan to non-critical areas.

Eric Johnston Of U S Chamber And Gov. Green To Speak At Mortgage Bankers Meeting In Oct.

Eric A. Johnston, President of the Chamber of Commerce of the United States, and Gov. Dwight Green of Illinois, will be two of the principal speakers at the 31st annual business meeting and conference on War and Post-War Mortgage Problems of the Mortgage Bankers Association of America at the Edgewater Beach Hotel, Chicago, October 18, 19 and 20. Attendance is being limited and the program will be devoted almost entirely to activities directly affecting the war effort.

One of the most important subjects to be explored is the method and procedure to be used for reopening the private building field when conditions permit, now that the bulk of war housing has been constructed. MBA members financed the great majority of this construction.

Another will be ways in which mortgage bankers can assist the Government in the building operations under the G. I. Bill of Rights which, according to H. G. Woodruff, Detroit, President, is likely to stimulate a great post-war building boom in itself. He based his opinion on the possibility that several million men and women now in service will take advantage of its provisions. One important feature, he added, is that its effects will be felt in the immediate post-war years. The Mortgage Bankers Association is now studying plans whereby it can assist in widespread distribution of information to service men and women in the same manner as its members over the country did in explaining the operations of the Soldiers' and Sailors' Civil Relief Act. These plans will be perfected as soon as NHA and FHA which the Veterans Bureau has delegated to handle the construction phase of the program, has completed the regulations under which the legislation will be administered.

Other subjects which MBA members will explore will be the problem of disposal of surplus real estate and lands taken over for the war effort, and the question of the post-war role of public housing versus private housing.

Says Mfrs. Of Building Materials And Equipment Should Be First To Start Peace Time Production

Russell G. Creviston, Chairman of the Post-War Committee of the Producers' Council, said on Aug. 12 that temporary unemployment can be minimized during the reconversion period following the war with Germany if the Federal Government will permit manufacturers of building materials and equipment to be among the first to change over to the production of peacetime products; this was stated in the New York "Herald Tribune" of Aug. 13, which gave further remarks of Mr. Creviston, as follows:

"Such a policy also will permit an earlier solution to the critical housing problem existing in many cities and will encourage local governments, industrial organizations and others who expect to build after the war to speed up the planning of their projects.

"The construction industry is unique in that a large volume of building can be started and many thousands of jobs can be created with little loss of time as soon as manpower and building products are released for civilian use. With certain exceptions, most manufacturers of materials and equipment can return to quantity peacetime production within three months after reconversion is permitted. In the case of some of the basic materials, such as brick and tile, cement and sand, gravel and crushed stone, manpower is the only obstacle to full production. Structural and reinforcing steel also should be freely available.

"Inasmuch as many types of construction cannot be resumed on a broad scale until complete lines of equipment are ready, it is particularly necessary that manufacturers of electrical, heating and plumbing supplies be permitted to reconvert at the earliest possible date, since reconversion will take the longest time in these lines. Lumber then would become the controlling factor, but it is believed that adequate supplies of seasoned lumber can be released for civilian projects within a few months after the war with Germany ends."

Text Of US And British Oil Agreement And Memorandum Of State Department

In making public on Aug. 8 the text of the Anglo-American agreement on petroleum, signed at Washington on that day, the State Department pointed out that the agreement "which is terminable on three months' notice by either Government, is of an interim character and is preliminary to the negotiation of a multilateral agreement on petroleum to which the Governments of all producing and consuming countries interested in the international petroleum trade will, it is hoped, become signatories." As was indicated in our issue of Aug. 10, page 581, the pact, which lays down certain broad principles governing international trade in petroleum, was signed by Acting Secretary of State Edward R. Stettinius Jr. and Lord Beaverbrook, who led the British delegation. The establishment of an International Petroleum Commission is provided for in the agreement composed of representatives of the United States and Great Britain.

We are giving herewith the State Department memorandum, and the text of the agreement in the form in which it was signed, as made available at Washington by the Department on Aug. 8 and reported by the Associated Press:

An agreement on petroleum between the Government of the United States and the Government of the United Kingdom was signed in the State Department at Washington on Aug. 8, 1944, by the Honorable Edward R. Stettinius Jr., Acting Secretary of State, on behalf of the United States Government, and by Lord Beaverbrook, who led the United Kingdom delegation, on behalf of the Government of the United Kingdom. The conversations which led up to the negotiation of this agreement were conducted for the United States Government by a delegation consisting of:

The Hon. Cordell Hull, Secretary of State, Chairman.

The Hon. Harold L. Ickes, Petroleum Administrator for War, Vice-Chairman.

The Hon. James V. Forrestal, Secretary of the Navy.

The Hon. Robert P. Patterson, Undersecretary of War.

The Hon. Leo Crowley, Foreign Economic Administrator.

Mr. Charles E. Wilson, Vice-Chairman, War Production Board.

Mr. Ralph K. Davies, Deputy Petroleum Administrator for War.

Mr. Charles B. Rayner, petroleum adviser, Department of State.

Mr. Harry C. Hawkins, Director, Office of Economic Affairs, Department of State, adviser.

Mr. James C. Sappington, Assistant Chief, Petroleum Division, Department of State, Executive Secretary.

Mr. John A. Loftus, Petroleum Division, Department of State, Recording Secretary.

For the United Kingdom they were conducted by a delegation consisting of:

The Right Hon. Lord Beaverbrook, Lord Privy Seal, head of delegation.

The Right Hon. Richard Law, M. P., Minister of State.

The Right Hon. Ben Smith, M. P., Minister Resident in Washington.

The Right Hon. Ralph Assheton, M. P., Financial Secretary to the Treasury.

The Right Hon. Geoffrey Lloyd, M. P., Chairman, Oil Control Board.

Sir William Brown, chief adviser.

Mr. Victor Butler, Secretary.

The agreement will become effective upon notification by both Governments of their readiness to bring the agreement into force.

The agreement lays down certain broad principles governing international trade in petroleum. These principles have to do with assuring the availability of adequate petroleum supplies to all peaceable countries at fair prices and on a non-discriminatory basis, subject to such collective-security arrangements as may at any time be in force; the development of petroleum resources with a view to the sound economic advancement of producing countries; recognition of the principle of equal opportunity in the acquisition of concessions; respect for valid concession contracts, and freeing the production and distribution of petroleum from unnecessary restrictions.

The agreement provides for the establishment of an international petroleum commission composed of representatives from the two Governments. The commission is charged with the responsibility of estimating world demand for petroleum and recommending to the two Governments the manner in which this demand may best be satisfied in accordance with the general principles of the agreement as referred to above. The recommendations of this commission, if approved by the two Governments, will be issued with a view to their adoption by the American and British companies operating in the international petroleum trade. The commission is further charged with the duty of investigating Anglo-American problems relating to efficient and orderly operation of the international petroleum industry and of making appropriate recommendations to the two Governments.

This agreement, which is terminable on three months' notice by either Government, is of an interim character and is preliminary to the negotiation of a multilateral agreement on petroleum to which the Governments of all producing and consuming countries interested in the international petroleum trade will, it is hoped, become signatories. The agreement provides that the requisite steps, preparatory to the convocation of a world petroleum conference for the negotiation of a multilateral agreement, will be taken as soon as practicable.

The two signatory countries agree to seek the collaboration of other interested countries in the implementation of the agreed principles and to consult as appropriate with the Governments of such countries in connection with activities undertaken on the basis of recommendations of the petroleum commission.

Text of the agreement is attached.

Agreement on Petroleum
Between
The Government of the
United States of America
and
The Government of
The United Kingdom of
Great Britain and
Northern Ireland

Introductory Article

The Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland, whose nationals hold, to a substantial extent jointly, rights to explore and develop petroleum resources in other countries, recognize:

1. That ample supplies of petroleum, available in international trade to meet increasing market demands, are essential for both the security and economic well-being of nations;

2. That for the foreseeable future the petroleum resources of the world are adequate to assure the availability of such supplies;

3. That such supplies should be derived from the various producing areas of the world with due consideration of such factors as available reserves, sound engineering practices, relevant economic factors and the interests of producing and consuming countries and with a view to the full satisfaction of expanding demand;

4. That such supplies should be available in accordance with the principles of the Atlantic Charter and in order to serve the needs of collective security;

5. That the general adoption of these principles can best be promoted by international agreement among all countries interested in the petroleum trade, whether as producers or consumers.

Article I

The two Governments agree that the development of petroleum resources for international trade should be expanded in an orderly manner on a world-wide basis with due consideration of the factors set forth in Paragraph 3 of the introductory article and within the framework of applicable laws or concession contracts. To this end, and as a preliminary measure to the calling of the international conference referred to in Article II below, the two Governments will so direct their efforts with respect to petroleum resources in which rights are held or may be acquired by the nationals of either country:

1. That, subject always to considerations of military security and to the provisions of such arrangements for the preservation of peace and prevention of aggression as may be in force, adequate supplies of petroleum shall be available in international trade to the nationals of all peaceable countries at fair prices and on a non-discriminatory basis;

2. That the development of petroleum resources and the benefits received therefrom by the producing countries shall be such as to encourage the sound economic advancement of those countries;

3. That the development of these resources shall be conducted with a view to the availability of adequate supplies of petroleum to both countries as well as to all other peaceable countries, subject to the provisions of such collective-security arrangements as may be established;

4. That, with respect to the acquisition of exploration and development rights in areas not now under concession, the principle of equal opportunity shall be respected by both Governments;

5. That the Government of each country and the nationals thereof shall respect all valid concession contracts and lawfully acquired rights and shall make no effort unilaterally to interfere directly or indirectly with such contracts or rights;

6. That, subject always to the considerations mentioned in Paragraph 1 of this article, the exploration of and development of petroleum resources, the construction and operation of refineries and other facilities and the distribution of petroleum shall not be hampered by restrictions imposed by either Government or its nationals, inconsistent with the purposes of this agreement.

Article II

The two Governments recognize that the principles declared in Article I hereof are of general applicability and merit adherence on the part of all countries interested in the international petroleum trade of the world.

Therefore, with a view to the wider adoption and effectuation of the principles embodied in this agreement, they agree that as soon as practicable they will propose to the Governments of other interested producing and consuming countries an international petroleum agreement which, inter alia, would establish a permanent international petroleum council composed of representatives of all signatory countries.

To this end the two Governments hereby pledge themselves to formulate plans for an international conference to consider the negotiation of such a multilateral petroleum agreement. They also pledge themselves to consult with other interested Governments with a view to taking whatever action is necessary to prepare for the proposed conference.

Article III

There are, however, numerous problems of joint immediate interest to the two Governments with respect to petroleum resources in which rights are held or may be acquired by their nationals, which must be discussed and resolved on a cooperative interim basis if the general petroleum supply situation is not to deteriorate.

With this end in view the two Governments hereby agree to establish an international petroleum commission to be composed of eight members, four members to be appointed immediately by each Government. This commission, in furtherance of and in accordance with the principles stated in Article I hereof, shall consider problems of mutual interest to both Governments and their nationals, and, with a view to the equitable disposition of such problems, shall be charged with the following duties and responsibilities:

1. To prepare long-term estimates of world demand for petroleum, having due regard for the interests of consuming countries and expanding consumption requirements;

2. To suggest the manner in which, over the long term, this estimated demand may best be satisfied by production equitably distributed among the various producing countries in accordance with the criteria enumerated in Paragraph 3 of the introductory article;

3. To recommend to both Governments broad policies for adoption by operating companies with a view to effectuating programs suggested under the provisions of Paragraph 2 of this article;

4. To analyze such short-term problems of joint interest as may arise in connection with production, processing, transportation and distribution of petroleum on a world-wide basis, wherever the nationals of either country have a significant interest, and to recommend to both Governments such action as may appear appropriate;

5. To make regular reports to the two Governments concerning its activities;

6. To make, from time to time, such additional reports and recommendations to the two Governments as may be appropriate to carry out the purposes of this agreement.

The commission shall establish such organization as is necessary to carry out its functions under this agreement. The expenses of the commission shall be shared equally by the two Governments.

Article IV

To effectuate this agreement the two Governments hereby grant reciprocal assurances:

1. That they will adhere to the principles set forth in Article I, Paragraphs 1 to 6, inclusive;

2. That they will endeavor to obtain the collaboration of the Governments of other producing and consuming countries in the implementation of the principles set forth in Article I, and will consult, as appropriate, with such Governments in connection with activities undertaken under Article III;

3. That upon approval of the recommendations of the commission they will endeavor, in accordance with their respective constitutional procedures, to give effect to such approved recommendations;

4. That each Government will undertake to keep itself adequately informed of the current and prospective activities of its nationals with respect to the development, processing, transportation and distribution of petroleum;

5. That each Government will make available to the commission such information regarding the activities of its nationals as is necessary to the realization of the purposes of this agreement.

Article V

The two Governments agree that in this agreement:

1. The words "country" or "territories"

(a) In relation to the Government of the United Kingdom of Great Britain and Northern Ireland, include, in addition to the United Kingdom, all British colonies, overseas territories, protectorates, protected States and all mandated territories administered by that Government; and

(b) In relation to the Government of the United States of America, include, in addition to the United States, all territory under the jurisdiction of the United States;

2. The word "nationals" means

(a) In relation to the Government of the United Kingdom of Great Britain and Northern Ireland, all British subjects and British protected persons belonging to the territories referred to in 1 (a) above and all companies incorporated under the laws of any of the above-mentioned territories, and also companies incorporated elsewhere in which the controlling interest is held by any of such nationals;

(b) In relation to the Government of the United States of America, all nationals of the United States, including companies incorporated under the laws of the territories referred to in 1 (b) above, and also companies incorporated elsewhere in which the controlling interest is held by any of such nationals;

3. The word "petroleum" means crude petroleum and its derivatives.

Article VI

This agreement shall enter into force upon a date to be agreed upon after each Government shall have notified the other of its readiness to bring the agreement into force and shall continue in force until three months after notice of termination has been given by either Government or until it is superseded by the international petroleum agreement in Article II.

In witness whereof the undersigned, duly authorized thereto, have signed this agreement.

Done in Washington, in duplicate, this eighth day of August, One Thousand Nine Hundred and Forty-four.

For the Government of the United States of America,
EDWARD R. STETTINIUS JR.,
Acting Secretary of State of the United States of America.

For the Government of the United Kingdom of Great Britain and Northern Ireland,
BEAVERBROOK,
Lord Privy Seal.

Central Hanover Honors Australian Military Mission

William S. Gray, Jr., President of Central Hanover Bank and Trust Co., gave a luncheon on Aug. 14 on behalf of the bank and of the Southern Cross Club to 70 members of the Australian Military Mission which is passing through New York on the way from Australia to London. Among those present were: Sir Owen Dixon, Australian Minister to the United States; Lieut. Gen. Sir John Laverack, head of the Australian Military Mission at Washington, and Brigadier Gorman, M.C., of the Military Mission.

All of the members of this special mission have served with the Australian Army for four years or more in Africa, France, New Guinea and elsewhere. Members of the Mission paraded from lower Broadway to the New York City Hall on the 14th instant.

St. Louis Business Men Named By Chamber Of Commerce To Dispose Of Surplus War Plants

A new Committee of St. Louis business men to handle the vital problem of disposal of Government-owned properties, plant equipment, materials and supplies after the war has been set up by the St. Louis Chamber of Commerce and will be headed by John W. Snyder, Vice-President of the First National Bank, Chairman of the Board Arthur G. Drefs has announced. Mr. Snyder formerly was Executive Vice-President of the Defense Plant Corporation, supervising for the Government the financing and arrangements for the building and equipping of hundreds of plants all over the United States, including St. Louis. He will serve as Chairman of the Chamber's Post-War Committee on Disposal of Government-Owned Properties, Plant Equipment, Materials and Supplies. "Now the time has arrived when plans must be made for their demobilization," Mr. Drefs declared in making the appointments, "and the City of St. Louis is very fortunate in having such an outstanding executive to handle this important job."

Emphasizing the importance of the problem of disposing of Government-owned properties and materials after the war, Mr. Drefs declared that estimates most frequently made of the volume of surplus materials and supplies which may be on hand at the termination of the war range from $60,000,000,000 to $100,000,000,000.

"While this includes materials and facilities which may remain abroad after the war," Mr. Drefs declared, "there will remain a volume of these properties and supplies of such magnitude that, if disposed of unintelligently and without planning, could affect adversely every form of distribution in the country." Mr. Drefs further said:

"Within the St. Louis industrial district the Government has reported that nearly $400,000,000 has been expended for industrial facilities along since the defense program started in 1940. This represents investments in plants *and equipment alone for approximately 100 companies. In addition, about $125,000,000* has been expended privately for further expansion of local manufacturing plants. The magnitude of the problem locally as well as nationally may be readily understood by citing these figures.

"The Chamber of Commerce feels that under Mr. Snyder's leadership the handling of surplus plants, equipment, materials and supplies can be accomplished quickly and the conversion period in the St. Louis area shortened. It is of vital importance to the City of St. Louis that prompt action be taken to dispose of Government-owned properties in this area. They should be made available for peacetime endeavors immediately after war contracts have been terminated.

"Members of the Military Affairs Committee of the U. S. Senate have been called back to Washington to prepare legislation on the disposal of Government-owned properties, materials and supplies. The St. Louis Chamber of Commerce, by the appointment of Mr. Snyder and the other members of the Committee, thus is preparing to handle this vital problem locally and anticipates early passage of legislation to aid in this work."

Frank M. Mayfield, President of Scruggs-Vandervoort-Barney, Inc., will serve as Vice-Chairman of the new Chamber of Commerce Committee.

Among those who have been appointed to serve with Mr. Snyder are the following:

Banking—Chester C. Davis, Federal Reserve Bank of St. Louis; Tom K. Smith, President, Boatmen's National Bank of St. Louis; Eugene J. Mudd, Executive Vice-President, Mississippi Valley Trust Co.; A. W. Dehlendorf, President, Lindell Trust Co.; John R. Longmire, partner, I. M. Simon and Co.; R. C. Behrens, Vice-President, St. Louis Union Trust Co.

Manufacturing — Chemicals: Charles Belknap, President, Monsanto Chemical Co. Electrical Equipment: P. B. Postlethwaite, President, Wagner Electric Corp.; W. Stuart Symington, President, Emerson Electric Mfg. Co. Drugs: Edward Mallinckrodt, Jr., Chairman of the Board, Mallinckrodt Chemical Works; E. H. Meyer, Manager, United Drug Co. Airplanes and Parts: B. H. Witherspoon, General Manager, airplane division, St. Louis plant, Curtiss-Wright Corp. Heavy Machinery: F. Edward O'Neil, President, Fulton Iron Works; J. W. Wright, President, Colcord-Wright Machinery and Supply Co. Shoes: P. B. Jamison, Vice-President in charge of the Friedman-Shelby branch of the International Shoe Co.; Eugene R. McCarthy, Vice-President, Brown Shoe Co., Inc.; William S. Milius, President, Milius Shoe Co. Light Metals: C. B. Fox, President, Aluminum Ore Co.; T. Lewin, President, Lewin-Mathes Co.; Iron and Steel: H. M. Pflager, Sr., Vice-President, General Steel Castings Corp.; John F. Byrne, General Manager, Koppers United Co.. Food Products: M. Z. Irish, General Manager, Swift and Co.. Automobiles and Parts: M. W. Howe, Plant Manager, Chevrolet-St. Louis division of General Motors Corp. Powder and Small Arms Ammunition: John W. Olin, Vice-President, Western Cartridge Co.

Railroads—Philip J. Watson, Jr., President, Terminal Railroad Association of St. Louis; James Davies, President, Alton and Southern RR.

Utilities—Dr. William McClellan, Chairman of the Board, Union Electrical Co. of Missouri; L. Wade Childress, President, Laclede Gas Light Co.; John R. Wilson, President, St. Louis Public Service Co.; Shields R. Smith, General Manager, Southwestern Bell Telephone Co.

Labor—Joseph P. Clark, President, Central Trades and Labor Union; Oscar Ehrhardt, Secretary, Congress of Industrial Organization Council.

The Committee also includes in its membership those identified with real estate, wholesale and retail trade, planning, and city and county affairs.

Christmas Mailing Period For Overseas Forces

"Save strong string and box material and start to plan shopping," Postmaster General Frank C. Walker advises Americans in announcing the rules for mailing of Christmas gifts for Army and Navy personnel overseas. This year the Christmas mailing period for both Army and Navy overseas forces is the same—Sept. 15 to Oct. 15. After Oct. 15 no gift parcel may be mailed to a soldier without the presentation of a written request from him. Mr. Walker's advices made available on Aug. 8 by Postmaster Goldman of New York state:

"The great demands upon shipping and the need for giving preference to arms, munitions, medicine and food is the prime reason for the early mailing date. Moreover, gift parcels must travel great distances to reach Army and Navy personnel who are located at remote points, and frequently the transfer of large numbers to new stations necessitates forwarding of the packages and additional time is required.

"The response that our people made last year during the overseas mailing period demonstrated that they will cooperate in any measure designed for the welfare of our armed forces personnel. It is not easy to concentrate on Christmas gifts in the midst of warm weather here at home but our people recognized the need, and because they want the men and women who are absent from their homes to know that they are not forgotten at Christmas they took pains to assure delivery of Christmas gifts.

"I know that our people will observe the overseas mailing schedule once more this year but I do wish to stress this fact: More care must be taken in wrapping and packing parcels securely and addressing them clearly and correctly.

"I am sorry that anyone ever mentioned that the size of a shoe box is the approximate limit for packages intended for gift mailings overseas. Unhappily many people became convinced that a shoe box is the best possible container. We must be mindful that these gifts must travel far, with shipping space crowded. If the gifts are to be protected in transit they must be packed in boxes made of metal, wood, solid fiberboard, or strong double-faced corrugated fiberboard, reinforced with strong gummed paper tape or tied with strong twine. If both tape and strong twine are used, so much the better. If the outer wrapper is crushed — and this is likely to happen—the loss of contents may be prevented if fiberboard boxes are wrapped in heavy paper.

"We were unable to deliver many parcels which families and friends sent to men and women overseas last year because they were crushed in transit and the gift and the outside wrapper became separated. We would have been able to make delivery if the address had been shown on the inside wrapper. We advise that everyone write the address of the sender and addressee inside the package as well as outside."

Among the more important rules for Christmas mailings to the armed forces overseas are the following:

The parcel must not exceed five pounds, and must not be more than 15 inches in length or 36 inches in length and girth combined. It should be marked "Christmas parcel" so that it may be given special attention to assure its arrival before Dec. 25.

Not more than one parcel may be mailed in any one week to the same member of the armed forces by or in behalf of the same mailer.

When combination packages are made up of such items as miscellaneous toilet articles, hard candies, soaps, etc., the contents should be tightly packed so that they will not become loosened in transit and damage the contents or the cover. Hard candies, nuts, caramels (including those covered with chocolate), cookies, fruit cake, and chocolate bars individually wrapped in waxed paper should be enclosed in inner boxes of wood, metal, or cardboard.

Perishable goods, such as fruits and vegetables that may spoil, are prohibited. Intoxicants, inflamable materials such as matches or lighter fluids, poisons, and anything that may damage other mail also are prohibited. Gifts enclosed in glass should be substantially packed to avoid breakage. Sharp instruments, such as razors and knives, must have their edges and points protected so that they cannot cut through the coverings and injure postal personnel or damage other packages.

National Retail Dry Goods Association Offers Post-War Suggestions To Retailers

The Post-War Planning Committee of National Retail Dry Goods Association, meeting at Absecon, N. J., and recognizing the important part which retail distribution must assume in making the readjustment necessary to preserve and maintain our system of free enterprise, offered on Aug. 10 to the members of the Association and to retail merchants generally the following suggestions:

Prosecution of the War — The first responsibility and most earnest determination of all Americans is to prosecute the war relentlessly to a speedy and final victory. No other consideration must be permitted to interfere with this purpose.

Confidence in the Future—Although there are many serious problems to be met and overcome, we affirm our abiding faith and complete confidence in the future of the United States.

Retailer Planning—We, therefore, urge upon all members of the retail trades the importance of completing their individual plans for the future of their enterprises as soon as possible and to proceed with the execution of such plans as promptly as conditions will permit.

Commodity Prices—Our opinion, as the result of discussions in the recent Post-War Conference here at Absecon, N. J., is that on production following reconversion there will be no major decrease in the general price level of commodities.

Retail Opportunity — Retailers are urged to take full advantage of the opportunities which are inherent in the thwarted demands of consumers during the war years for billions of dollars worth of merchandise, and the vast production of new commodities which the post-war period will bring. To do this retailers must improve their selling methods. Plans for the strengthening of selling forces should be made without delay and should be prosecuted with full vigor as soon as manpower conditions will permit. Through better selling, retailers can serve the interests of their own enterprises and can perform the more important task of creating jobs. The retail distributive trades, if fully alert to their opportunity and aggressively active in execution, can sell the volume of goods necessary to provide full employment and maintain the economy. Only by such action can the enlarged responsibilities of retailers be met.

What Retailers Needs Can Contribute—In order to measure the contribution which retailers can make during the difficult period of reconversion the Association should secure from its members, and from other retailers willing to cooperate, statements covering the following points:

(a) An estimated dollar cost of such improvements, expansions and alterations as they are planning to make to plants and equipments.

(b) The nature and dollar value of goods, presently unobtainable, which retailers are prepared to buy when available.

(c) An estimate of the number of jobs which they expect to have available in their own establishments and a simple classification of such job opportunities.

Retailer Relations With Sources of Supply—The Post-War Planning Committee believes that the problems of prompt and satisfactory reconversion can be simplified through the development of better relations between retail distributors and those from whom they buy merchandise. Therefore, it is recommended that National Retail Dry Goods Association, through its Vendor Relations Committee, conduct a series of discussions with various trade groups representing our resources. By these methods ways can be worked out by which retailers, manufacturers and wholesalers may mutually assist in—

1. Assuring needed increase in production.
2. A more orderly reconversion to the making of new supplies.
3. The achievement of better selling as a means to the creation and maintenance of employment and prosperity.

Cooperation With Other Organizations—We recognize the importance of cooperation among all business groups seeking ways of insuring post-war employment and general prosperity and offer our cooperation to all groups and organizations of similar intent. We urge upon retailers, in their own localities, the importance of similar cooperation with all other interestted local groups.

National Problems Which Call for Solution—We strongly believe that favorable action by the Federal Government in connection with the following serious problems would aid immeasurably in obtaining a speedy and orderly reconversion to a peacetime basis and we therefore urge—

1. That the hampering restrictions of government controls, although necessary during the war, shall be withdrawn at the first possible moment; and that the burden of proof for the need of retaining them, beyond the duration of actual war, must then rest upon those who want to keep these controls alive.
2. That readjustment of Federal taxes which will encourage the investment of risk capital and general expansion is vital to the welfare of labor, of consumers, and of business enterprises alike.
3. That disposal by the Government of such surplus merchandise as may be distributed within the United States must be accomplished in an orderly way and, as far as possible, through the established cannels of business.

Although we regard these problems as highly important and requiring prompt Federal action, we urge that retailers shall not postpone their own action along the lines we have suggested, awaiting the decision of Government. The welfare of our nation demands dynamic and courageous action.

Vandenburg Explains GOP Peace Plank

Senator Arthur Vandenberg, in a statement made on Aug. 11, said the term "peace forces" employed in the Republican platform plank "means whatever force—whether moral, economic, diplomatic or military — may be necessary to keep the peace whenever such emergency arises." Associated Press advices from Washington on Aug. 11, from which we quote, also had the following to say:

Senator Vandenberg, member of the Senate Foreign Relations Committee and the principal draftsman of his party's foreign policy declaration, asserted in a statement:

"I have never been able to understand the charge of ambiguity which has been made against the language in the Republican national platform which pledges the use of 'peace forces' by a post-war international organization to dispel military aggression.

"It is an infinitely broader term than 'military forces.' It recognizes that peace rests upon many sanctions other than force. But it ultimately includes military force."

President, In Aleutians, Says Strong Military Bases Needed There To Bar Future Jap Attacks

On Aug. 12, delayed advices of Aug. 3 from an Aleutian Island Base, reported the visit of President Roosevelt there, at which time he said strong military bases must be maintained in the Aleutians to bar future generations of Japanese from attacking the United States. In an address at the Puget Sound Navy Yard at Seattle, on Aug. 12, the need of permanent defenses against Japan for the protection of all the Americas was also stressed by the President.

As to the President's visit Aug. 3 to the Aleutian Islands, United Press advices from that point Aug. 3, said:

"The President, making his westernmost penetration of the Pacific war theater, congratulated troops in the Aleutians for ousting Japanese forces and converting the fog-swept islands into a formidable defense ring.

"Arriving aboard a cruiser on which he took his swing through Pacific Army and Navy bases, Mr. Roosevelt made a four-hour tour of the island, which a year ago was only a short distance from enemy-occupied territory.

"He conferred with Vice-Admiral Frank J. Fletcher, commander of the North Pacific force, and visited airfields, warehouses, dock facilities and other installations which make this island the backbone of northern operations against the Japanese.

"Mr. Roosevelt came here after a three-day visit to the Hawaiian Islands. He was accompanied by Admiral William D. Leahy, his personal chief of staff; Vice-Admiral Ross T. McIntire, his personal physician, and Major General Edwin M. Watson and Rear Admiral Wilson Brown, his military and naval aides.

"High light of his visit was a luncheon at which he dined with 200 soldiers, sailors and marines, eating ordinary G. I. fare.

"The Presidential visit was unannounced and secrecy surrounded arrangements. Shortly before his ship docked, however, Army, Navy and marine units were ordered to prepare for inspection and nearly all construction work being done by civilian workers was halted. During his stay, all air traffic in and out of the islands was banned.

"In an informal luncheon address Mr. Roosevelt expressed the wish that more people could see what had been done here to carry the war forward in the Pacific in an incredibly short time.

"The United States was caught unprepared in the Aleutians because we were used to civilization, he said. No one could have visualized that the Japanese would attack in such an unsportsmanlike way, he said. Adding that in the future Americans will always distrust Japan.

"He pointed out that the job of the troops in the Aleutians was first to throw the Japanese out and then make it impossible for them to return. At the same time, he said, development of military bases in the north was benefiting national growth by opening new areas for pioneering after the war.

"Speaking of post-war possibilities of Alaska, the President admitted the climate was not the best in the world but compared it to that of Scandinavian countries. Much of the Alaskan mainland has good agricultural land, he declared, adding that he would not be sorry if people in the service wished to settle there."

Delayed advices regarding the conversations in Hawaii of the President with Admiral Nimitz and Gen. Douglas MacArthur, concluded on July 29, were made available through the press on Aug. 10.

Bill Of Rights For Private Industry Needed To Avoid Unemployment & Recession: Reynolds

The widest possible expansion of manufacturing for civilians consistent with just military demands was called for on Aug. 14 by Senator Robert R. Reynolds (D.) of North Carolina, who at the same time demanded that this program be accompanied by a plan to loosen peacetime prices. Dealing piecemeal with such problems as pay for the unemployed and surplusses would only hasten a post-war depression said Mr. Reynolds, who added that what was needed was a comprehensive plan. These views of Senator Reynolds were reported in special Washington advices Aug. 14 to the New York "World Telegram" in which he was also indicated as saying:

"Declaring that the prospect of peace had caught us unprepared, he advocated preparing for peace with the same thoroughness that had characterized our preparation for military success.

"In a statement issued at his office, he remarked that 'there is too much of a tendency to give lip service to increased production and at the same time actually retard it by tight profit and price controls.'

"Basing his summary on questions that have reached his Committee since the problems of reconversion began to occupy public attention, he asked:

"Are allowances to be made for increased costs?

"Are lower volume and higher costs to be related?

"Are steps being taken by Federal agencies to assure sufficient profit to attract capital and stimulate production?

"Are such controls as the 2% limit in the Vinson directive to be continued?

"During reconversion will there be a distinction between necessities and luxuries?

"As to all this, Mr. Reynolds said, business needed reassurance.

"Mr. Reynolds said that this boost to confidence should be furnished immediately by the War Production Board and the Office of Price Administration. What is needed, he declared, is a Bill of Rights for private industry to implement the G. I. Bill of Rights. Unless they are co-ordinated there will be unemployment and recession, he concluded.

Barnaud Sec. Of NY Trade Board Group

Albert J. Barnaud has been elected Secretary of the International Trade Section of the New York Board of Trade to fill the vacancy caused by the resignation of Joseph M. Marrone, who resigned and entered the field of banking, it is announced by Matthew G. Ely, President of the Board. Mr. Barnaud, well-known in export circles, comes to the Board with a broad background of international experience in the field of American Foreign Trade promotion. He has served in the Far East and in Europe as a foreign trade officer of the U. S. Department of Commerce. For many years he was the New York Manager of the District Office of the Bureau of Foreign and Domestic Commerce, and also Executive Secretary of the American Russian Chamber of Commerce in New York. While in Europe he served as Assistant Commercial Attache at the U.S. Paris Embassy, as Representative of the War Trade Board, as well as American Delegate on the International Commission for rationing, Switzerland. He has travelled throughout the world on foreign trade missions.

John B. Glenn, Chairman of the International Trade Section, Board of Trade, pointed out that the Board already foresees the natural expansion of potential foreign markets for American merchandise, which will follow the end of hostilities. There are already indications, he notes, that foreign trade opportunities will not await the end of the war, and therefore the facilities of the board are gradually being expanded to meet the demands towards the development and maintenance of markets throughout the world.

New Dwellings In Non-Farm Areas Decrease

New residential construction is at the lowest level since 1934, Secretary of Labor Frances Perkins reported on Aug. 5. "During the first half of 1944 less than 100,000 new non-farm family dwelling units were put under construction, as compared to 200,000 during the first half of 1943 and 368,000 during the first half of the peak year, 1941," she said. "While the supply of building materials remains tight, the volume of new units being started may continue to decline, although further declines will probably be small." Miss Perkins in her advices also said:

"Privately financed dwelling units started during the first half of 1944 numbered 79,900 and accounted for over four-fifths of the 97,100 unit total. During the same months in 1943 private builders began work on 85,800 units, or only about two-fifths of the 200,200 unit total for the period.

"Of the 79,900 private family dwelling units upon which work was started during the first half of 1944, 63,100 were started under the private war housing program of the National Housing Agency. This brought the number of units begun since 1941 under this program to 467,200, of which 398,900 units had been completed and 68,300 units were under construction at the end of June, 1944.

"Publicly financed housing projects for which construction contracts were awarded during the first half of 1944 will provide new accommodations for 17,200 families, chiefly in temporary type structures. This was only one-seventh of the number of units provided in public housing projects put under contract during the first half of 1943 when the Federal war housing program was at its peak. In addition to the new family dwelling units, Federal contracts were awarded during the first half of 1944 for projects to contain 300 converted family dwelling units, 3,300 dormitory units, and 13,200 trailers.

"By the end of June, 1944, Federal war housing projects available for occupancy or under construction contained 504,300 family dwelling units, 152,000 dormitory units and 41,500 trailers.

"The valuation of the 97,100 new non-farm family dwelling units begun during the first half of 1944 is estimated at $273,400,000. New dwelling units started during the first half of 1943 were valued at $489,100,000.

"These estimates, based on building permits issued and Federal construction contracts awarded, were prepared by the Bureau of Labor Statistics of the United States Department of Labor. The non-farm area of the United States is defined as including all incorporated places of over 2,500 population in 1940, a small number of unincorporated civil divisions, and all other areas except farms.

"Two-family and multifamily type privately financed dwellings were much less important during the first half of 1944 than for the similar period in 1943. Almost all of the 7% drop in the number of new private units occurred in these types, which fell off sharply in number while the volume of one-family units remained virtually unchanged.

"Of the 79,900 privately financed units started during the first six months of 1944, 82% were in one-family dwellings, 8% in two-family dwellings, and 10% in multifamily structures. Comparative figures for 1943 were: 77% in one-family dwellings, 9% in two-family dwellings, and 14% in multifamily structures. Virtually all of the publicly-financed units since mid-1942 have been in temporary row-type structures.

"Two-thirds of the new units during 1944 were located in urban areas as compared to only 57% in 1943. The shift to urban locations was most pronounced in the case of publicly financed units. Almost two-thirds of the publicly financed units put under contract in 1944 were located in urban areas, while in 1943 only about half were so located. Privately financed units were also more commonly built in urban than in rural non-farm areas in 1944.

"The number of new units in all city-size groups fell off sharply during the first half of 1944 as compared with 1943. Declines between the two periods varied from 26% for cities of 2,500 to 5,000 population to 67% for cities in the 50,000 to 100,000 population class. Over half of both the new private and new public units were located in cities of over 100,000 population in 1944 as compared to substantially less than half in 1943.

"The number of new publicly financeed units declined sharply in all regions between the first half of 1943 and 1944. Decreases of as much as two-thirds in the New England and Middle Atlantic States in the number of new privately financed units were almost offset by increases of over a third in the West South Central States and of almost 100% in the Pacific States. In the first half of 1944 over two-thirds of the private two-family units and half of the private multifamily units were located in the East North Central and Pacific States.

"The estimated valuation of the 97,100 new non-farm family dwelling units started during the first six months of 1944 is $273,000,000, or over half of the $489,100,000 estimated for the 200,200 units begun during the same months of 1943. The average valuation of the new units in 1944 was 15% higher than in 1943, chiefly as a result of the greatly increased proportion of privately financced units with higher average valuations than the temporary publicly financed units. When allowance is made for the general understatement of construction costs by private builders when applying for building permits, it is estimated that the construction of all family dwelling units begun thus far in 1944 will cost approximately $309,000,000."

Cooper Union Courses For Men In War Industry

Applications Close Aug. 21

An opportunity for engineers now employed in war industries to fit themselves for new types of work under the reconversion program will be offered during the coming year by the Cooper Union School of Engineering, it is announced by Dean George F. Bateman. The school, a pioneer in evening engineering education, will admit qualified workers to advanced evening courses without charge, except for small laboratory fees, and without the formality of entrance examinations. The plan, which marks a war-time departure from the Cooper Union policy of admitting only applicants for complete courses leading to degrees, is designed, Dean Bateman said, not only to help war workers prepare for the reconversion program but also to provide additional training for men seeking promotion in war industries. The announcement also states that although applicants admitted under the plan will not be candidiates for degrees, and will be known as "special war-time participants," they will receive full academic credit for subjects taken and will be able to use that credit if they decide later to seek degrees at The Cooper Union or elsewhere. Each applicant must indicate how he expects to profit by the subjects he elects, and must show that he is qualified to study those subjects by having completed the prerequisite courses in an accredited engineering college.

Applications for the courses will be received until Sept. 8, and the courses will open on Oct. 2. After mailing their applications, candidates will be required to visit The Cooper Union for personal interviews. In general, Dean Bateman said, candidates are advised not to apply for more than four or five hours of work a week.

Among the subjects offered in the various departments of the school under the plan are the following: Chemical engineering, civil engineering, electrical engineering, mechanical engineering.

Admission of men in industry to these advanced courses will not alter The Cooper Union's policy of offering full six-year degree courses in engineering, Dean Bateman said. Applicants desiring to become candidates for degrees must take the regular entrance examinations and follow the prescribed program of studies in chronological sequence. Applications under the regular program will close on Aug. 21.

Post-War Jobs

(Continued from first page)

ice man I would seek to help some small business man.

Classified Telephone Directories

I understand that it is difficult to send a book to a service man unless you have a letter from him asking that it be sent. If you think your boy is wondering what he is to do when he gets back, have him ask you to send him a classified telephone directory for your city. These directories may be little gold mines for those who are willing to study them. When someone asks for my idea as for what he is best fitted, I give him a classified telephone directory and suggest that he read it through as to headings while waiting in my office. This very often solves his problem so that he does not need help from me.

There will be a great temptation after the war for returning soldiers to get into politics or labor unions or farmers' leagues or something of the kind to "secure justice for the service man." Some of these organizations may have been useful in the past; but those men will get on best in this post-war era who depend more on their God and themselves and less upon politics and man-made organizations.

What About Religion?

May I add one more suggestion without being misunderstood? Many prayers are said in vain. American and German boys cannot expect God will answer the prayers of both groups when they pray for victory. Both American and German boys, however, can logically pray for peace and for guidance as to what they should do after peace comes. Hence, my final advice regarding post-war jobs is that the family should take God into their confidence more. Don't try to decide this or any other important question alone.

The State Of Trade

(Continued from page 706)

ventory restriction was being carefully observed in view of reports that terminations' settlements will view askance larger amounts. Some manufacturers who are behind schedule are reported pressing for delivery of steel with an eye on cancellation, while those ahead of schedule are said to be eyeing the delivery status of steel closely for the same reason."

Additional evidence of confusion twice confounded is afforded one, regarding the conflicting policies and procedures of some governmental boards and commissions as presented by the "Iron Age" in the current issue:

"Along the post-war controversy front reports from Washington this week were to the effect that congressional and some war agency sources believe that all WPB reconversion plans have been scuttled by the Byrnes manpower directive of Aug. 4. The government men adhering to this view and who decline to be quoted say that the recent 'hullabaloo' raised by the War Department over lags in war production resulted in Mr. Byrnes granting to the War Manpower Commission what is practically a national service act. The directive gives WMC power to set employment ceilings on all industries wherever located. WMC, under the directive, can prohibit resumption of civilian production wherever it will interfere with war production."

Despite favorable war news, reconversion talk and post-war planning, says the magazine, the delivery situation for the past week has not changed "one iota" from the tightness that has gripped it the past several weeks. There is an apparent demand for heavy sheets, while heavy orders from ammunition box and electrical equipment manufacturers have come to hand. In galvanized *sheets the market is so over extended, according to "Iron Age," that deliveries are now being* quoted for March, 1945.

Other notable steel demands, the magazine reports are, "invasion piping, all types of warehouse products, heavy bar buying and merchant wire products such as fence and barbed wire. Wire makers report that manufacturers are becoming increasingly conservative in their buying. Seamless tube mills are exceptionally active owing to the shell steel program and a strong demand for oil country casing and tubing."

Steel Production In July and For Seven Months—Steel production in July topped both June and the corresponding 1943 period, wholly reflecting an increase in open hearth furnace output, the American Iron and Steel Institute reported.

Total production last month was placed at 7,474,297 tons of ingots and steel for castings compared with 7,217,232 in June and 7,407,876 in July last year. However, the July, 1944, total stood well below the record peak set in March this year when 7,820,226 tons were produced.

Nation-wide output of all steel for the first seven months of 1944 aggregated 52,536,171 tons against 51,294,327 tons in the year-ago period.

Pay Rolls In Steel Industry—Illustrating the perceptible rise in payroll costs in the steel industry the American Iron & Steel Institute presented the past week an array of figures which disclosed that nearly $849,466,000 in payrolls were distributed to employees of the industry during the first six months of 1944. The half-year figure exceeded by $53,000,000, or nearly 7%, the total distributed in the same months of 1943. June, 1944, payrolls amounted to $140,484,000 and compared with $145,427,000 in May and $136,217,000 in June of 1943.

An average of 569,800 employees were at work in the industry during June, a slight increase over May's average of 569,100, though lower than June, 1943's average of 631,000 workers.

Wage earning employees received an average of 117.7 cents per hour in June as against 118.4 cents in May and 112.7 cents per hour in June of last year.

Electric Production — The Edison Electric Institute reports that the output of electricity increased to approximately 4,399,433,000 kwh. in the week ended Aug. 5 from 4,390,762,000 kwh. in the preceding week. The latest figures represent a gain of 3.7% over one year ago, when output reached 4,240,638,000 kwh.

Consolidated Edison Company of New York reports system output of 171,500,000 kilowatt hours in the week ended Aug. 6, 1944, and compares with 202,100,000 kilowatt hours for the corresponding week of 1943, or a decrease of 15.1%.

Local distribution of electricity amounted to 160,800,000 kilowatt hours, compared with 191,200,000 kilowatt hours for the corresponding week of last year, a decrease of 15.9%.

R. R. Freight Loadings—Carloadings of revenue freight for the week ended Aug. 5 totaled 890,458 cars, the Association of American Railroads announced. This was a decrease of 20,075 cars, or 2.2% below the preceding week this year, and an increase of 18,325 cars, or 2.1% above the corresponding week of 1943. Compared with a similar period in 1942, an increase of 40,237 cars, or 4.7%, is shown.

Coal Production—The U. S. Bureau of Mines reports production of Pennsylvania anthracite for week ending Aug. 5, 1944, at 1,221,000 tons, a decrease of 16,000 tons (1.3%) over the preceding week, and a decrease of 88,000 tons (6.7%) from the corresponding week of 1943. The 1944 calendar year to date shows an increase of 7.7% when compared with the corresponding period of 1943.

Estimated production of beehive coke in the United States for the week ended Aug. 5, 1944, as reported by the same source, shows an increase of 3,700 tons when compared with the output for the week ended July 29, last, but a decline of 17,400 tons for the corresponding week of 1943.

The report of the Solid Fuels Administration placed bituminous production for the week ended Aug. 5 at 12,000,000 net tons, against 12,390,000 tons (revised figure) in the preceding week and 11,883,000 tons in the corresponding week of last year, while output for Jan. 1 to Aug. 5 totaled 377,420,000 tons, as against 348,161,000 tons in the same 1943 period, or a gain of 8.4%.

Refined Copper Output — In July refined copper production amounted to 93,650 tons as against 93,958 tons in June, a decline of 308 tons, the Copper Institute reveals. Domestic mine production last month was placed at 85,734 tons and deliveries to domestic consumers at 121,705 tons. Refined copper stocks at the close of July were 48,050 tons, or an increase of 5,583 tons over June. Stocks of blister copper dropped by 7,916 tons, however, so that on a combined basis, total stocks of copper held by producers were off 2,333 tons.

Silver — Describing prevailing conditions in the silver market in India and the effects of hoarding on the price of silver, an Associated Press dispatch from Bombay to the New York "World-Telegram" on Aug. 12 stated as follows:

"The old economic law of supply and demand has been brought into play in the silver market here in an attempt to force down the price of the white metal usually hoarded by Indians but, after a slight drop, the price still runs far above that in the United States.

"The silver is being lend-leased by the United States to India, which has received 100 million ounces. The metal is to be returned to the United States ounce for ounce.

"Silver had been selling for 135 rupees per hundred tolas, roughly $1.09 an ounce. The average United States price is 44¾ cents for foreign silver and 71.11 cents for domestically mined silver.

"A few days after announcement that America was lending silver the priced dropped to the equivalent of 98 cents an ounce, but then it bounded up again to $1.09 as farmers and small shopkeepers increased their hoards.

"Silver coins, the only money the native Indian trusts, is replacing paper currency. Financial officials hope the ready availability of coins will discourage hoarding.

"Most American silver, it is expected, will be sold in the open market by the Reserve Bank of India, which hopes this increased supply will re-establish the downtrend in prices.

"The American Government came to the rescue of India's finances once before when, after the first World War, it loaned a million ounces of silver to stabilize currency here."

Production—Refined silver production in the United States during June, the American Bureau of Statistics reports, amounted to 6,795,000 ounces, of which 2,892,000 ounces were obtained from domestic sources and 3,903,000 ounces from foreign sources. This compares with 8,973,000 ounces in June, 1943, of which 3,935,000 ounces were domestic and 5,038,000 ounces foreign.

Silver production in terms of recoverable metal from domestic mines amounted to 3,181,616 ounces in May, against 3,059,533 ounces in April, according to the Bureau of Mines.

The London market remained quiet and the price of silver unchanged at 23½d. The New York Official for foreign silver continued at 44¾¢, with domestic silver at 70⅝¢.

Crude Oil Production — Daily average gross crude oil production for the week ended Aug. 5, as estimated by the American Petroleum Institute was 4,650,650 barrels, establishing a new high record. This was 42,200 barrels a day in excess of the preceding week and exceeded the corresponding week in 1943 by 448,050 barrels a day. The current figure, however, was 5,650 barrels below the daily average figure recommended by the Petroleum Administration for War for the month of August, 1944. For the four weeks ended Aug. 5, daily output averaged 4,619,250 barrels.

Reports from refining companies indicate that the industry as a whole ran to stills (on a Bureau of Mines basis) approximately 4,529,000 barrels of crude oil daily and produced 14,144,000 barrels of gasoline. Kerosene output totaled 1,373,000 barrels with distillate fuel oil placed at 4,969,000 barrels and residual fuel oil at 8,443,000 barrels during the week ending Aug. 5, 1944. Storage supplies at the week-end totaled 80,801,000 barrels of gasoline; 11,800,000 barrels of kerosene; 39,410,000 barrels of distillate fuel and 56,755,000 barrels of residual fuel oil. The above figures apply to the country as a whole, and do not reflect conditions on the East Coast.

High Octane Gasoline Plants—Since 1942, over 189 new high octane gasoline plants have been completed and put into service. Over 450 refineries and natural gasoline plants have cooperated to complete this program. Seven plants were constructed in 1942, 71 in 1943, and 111 in 1944. It is stated that military allocations are taking 40% of all gasoline production, particularly the 100% octane grade.

Lumber Shipments — The National Lumber Manufacturers Association reports that lumber shipments of 503 reporting mills were 0.6% above production for the week ended Aug. 5, but new orders of these mills dropped 5.5% below production for the same period, while unfilled order files amounted to 109% of stocks. For 1944 to date, shipments of reporting mills exceeded production by 5.4% and orders ran 7.4% above output.

Compared to the average corresponding week of 1935-39, production of reporting mills was 29.9% greater; shipments, 35.7% greater, and orders, 25.1% greater.

Lumber Shortage — WPB gives authority for the statement that the lumber shortage will be the principal bottleneck when private construction is resumed. Total estimated construction for 1944 will be $3,500,000,000, or about 46% of the 1943 record, or 27% of the 1942 record. Military building construction amounted to $65,000,000 in June of this year as against $217,000,000 in June of last year. Government financed war plant construction totaled $129,000,000 in June this year as against $413,000,000 for June last year, whereas total privately financed construction in June of this year was only 38.5% of the national total, as against only 20% in June last year.

Newsprint Production — Newsprint output in North America for July, 1944, was 326,083 tons, a drop of 28,875 tons from the same month a year ago, the News Print Service Bureau disclosed last week. There was one less working day in July of this year than for the year previous. Shipments last month, totaling 380,778 tons, were in excess of production and stocks declined.

Canadian mills turned out 244,406 tons and shipped 249,979. In the United States, the output was 59,875 tons and shipments 59,946. Newfoundland produced 21,802 tons, with shipments running to 29,979.

At the end of July stocks showed a combined total of 117,135 tons, compared with 130,956 tons on June 30, 1944, and 116,728 tons at the end of July, last year.

Paper Production — Paper production for the week ended Aug. 5 was at 90.7% of capacity as against 92.7% the preceding week, and for the week ended July 31, last year, 89½%, the American Paper & Pulp Association's index of mill activity disclosed. As for paperboard, production for the same period was reported at 96% of capacity, unchanged from the preceding week.

Cement Output — Portland cement production in June reached 7,906,000 barrels, a decrease of 34% from June last year and the smallest year-to-year decline since August, 1943, reports the Bureau of Mines.

Corn Crop — This year's forecast of the nation's corn crop by the Department of Agriculture was 2,929,117,000 bushels and the wheat crop at 1,132,105,000 bushels.

The above corn estimate represents a decline from an earlier forecast one month ago of 2,980,136,000 bushels. The corn crop for 1943 was reported at 3,076,159,000 bushels and the average production in the ten years, 1933-42, was 2,369,384,000 bushels. A bumper crop and record was established in 1942 when 3,175,154,000 bushels of corn were produced.

Chain, Mail Order Sales—Estimated June chain store and mail order sales were placed at $1,258,000,000 by the Commerce Department a week ago, bringing the total for the first half of the year to $7,177,000,000. The above figures represented an increase of 4% for both June and the first six months over the corresponding periods of 1943.

Department and Retail Store Sales—Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index were 4% ahead of a year ago for the week ending Aug. 5. Sales in the City of Philadelphia were sharply reduced in the week ending on the above date, owing to a curtailment in public transportation service. For the four weeks ending Aug. 5, 1944, sales increased by 10%. A 7% increase in department store sales for the year to Aug. 5, 1944, over 1943 was noted.

The Commerce Department reporting retail sales in June discloses the fact that they exceeded sales for June, 1943, by 4% and for the first half of 1944 were 8% above the same period one year ago. Retail store sales volume in June totaled $5,592,000,000 and for the first half of 1944 were $32,113,000,000. For all major groups of non-durable goods stores, sales reflected gains for the first six months, the greatest increase of 23% was registered by eating and drinking places.

Retail buying for the country at large continued its climb and for the past week was well over its level at this time last year, Dun & Bradstreet, Inc., reported. There was a good interest in autumn apparel with summer goods being cleared from shelves. Shortages in furniture and other housewear articles tended to curtail sales in this department. In the apparel line, deliveries of better quality merchandise proceeded at a faster rate than for a year ago, while food volume for the week remained above last year's level. The above source estimates a gain of 8% to 12% for the week in retail sales throughout the country. Regional increases were: New England, 4 to 7%; East, 9 to 11%; Middle West, 5 to 9%; Northwest, 7 to 10%; South, 8 to 12%; Southwest, 11 to 15%, and the Pacific Coast, 15 to 18%.

According to Federal Reserve Bank's index, department store sales in New York City for the weekly period to Aug. 5 increased by 7% over the same period of last year. For the four weeks ending Aug. 5 sales rose by 11%, and for the year to Aug. 5 they improved by 8%.

Retail trade in New York City was hampered to a degree the past week by a return of the extreme heat experienced some weeks ago, but sales volume continued to show a favorable comparison with that of a year ago. Estimates placed department store sales between 8% and 10% above a year ago. According to the New York "Times," early consumer interest in new fall styles is developing with newness of fashion appeal a strong promotional point. The wholesale markets witnessed a falling off in buyers, while mail re-orders for many types of merchandise continued to increase, indicating expansion of fall buying by consumers in many sections of the country. The delivery situation in most lines continues to present an extremely tight condition.

Wholesale Food Prices—A decline to $4.01 from $4.03 in wholesale food prices during the week ended Aug. 8 was recorded in the index compiled by Dun & Bradstreet, Inc. The latest figure, compared with $4.04 on the like date one year ago, showed a drop of .7%, but was 6.6% higher than the $3.76 record of two years ago. Advances for the week occurred in beans, peas and steers; declines were the order in wheat, rye, oats, lard and lambs.

U. S. Tariff Rates—For the first time since the war a bulletin has been officially compiled of the changes in United States tariff rates. This survey of import duties and merchandise exemptions is obtainable on application to the Superintendent of Documents, Government Printing Office, Washington, D. C.

Roosevelt Stresses Need For Permanent Defenses Against Future Japanese Aggression

(Continued from first page)

to visit many of the patients in the hospital there, a large number of whom were just back from the fighting in the Marshall and Marianas Islands. Also I witnessed a large practice landing operation on the beaches of Southern California between Los Angeles and San Diego, the kind of warfare which has been so successfully developed by us during the past two years. This is of a wholly new type requiring all kinds of new equipment and new training, and I think I can safely say that no other nation in the world has worked it out as successfully as we have shown within the past few weeks in the capture of Saipan and Tinian and the recapturing of Guam, resulting in new threats against Japan itself and against all of their operations in the southwest Pacific.

It takes a personal observation of a landing maneuver, such as I saw from a high bluff overlooking the shore below, to understand how well the application of experience is being carried out. The landing craft—a wholly new type of ship—came to the beach from the transports offshore under a cover of fog. They came on in waves, the Marines and infantry getting the first toehold followed by other waves and then by all manner of equipment, ammunition and wire and tanks, all protected by air coverage, and preceded theoretically by a devastating bombardment from heavy ships lying offshore. When a beachhead was obtained to a depth of a mile or two there followed the unloading of great quantities of supplies of all kinds, including tanks and trucks and jeeps.

Timing is of the utmost importance in an operation of this kind together with instantaneous communication from the shore to the ships and planes. Here was demonstrated the perfect cooperation between all of the services—Army, Navy and Marines—and to this should be added the teamwork for the immediate care of the wounded and their quick transfer back to the hospital ships.

We in our comfortable homes ought to realize that to all troops and marines who are to conduct a new landing expedition on some far-distant island in the Pacific as well as on the coast of France, this amphibious training is being given at a number of places in the United States before the expedition even starts. Hundreds of instructors are required, nearly all men who have participated in actual combat operations beforehand. Many of these instructors will, of course, accompany the troops in the actual operations of future landings.

The cruiser on which I went from San Diego to Hawaii is one of a number of what we call "post-treaty cruisers" much larger and more powerful and faster than the pre-war cruisers, which were limited by treaty to 10,000 tons. This particular ship joined the Pacific fleet less than a year ago but has already engaged in 15 operations in the Western and Southwest Pacific. Her's is a magnificent record. Her skipper and crew have brought her through all of these many offensive missions unscathed, and because of the experience thus gained she is an even more powerful weapon than she was the day she joined the fleet.

The voyage was uneventful and we arrived at Pearl Harbor on July 26.

What an amazing change since my visit there 10 years ago. Up to that time the Pearl Harbor Navy Yard had maintained a steady growth, like most of our other Navy yards, but today it is capable of making repairs to the heaviest ships and employs a force nearly 10 times as great, many of the mechanics coming from the West Coast. All of the battleships and smaller craft which were sunk or damaged in the attack on Pearl Harbor on Dec. 7, 1941, have been raised, with the exception of the Arizona. In her case, because of the explosion of her forward magazine, salvage was impossible but her main battery of heavy guns was removed and remounted and now forms a part of the coastal defenses on the Island of Oahu.

All of the other ships are afloat and in service, most of them having been put back into commission here at Puget Sound and all of them greatly improved in fire power. They have been used in action in the Pacific and elsewhere—one of them, indeed, the Nevada, having taken part in the bombardment of the coast of Normandy prior to and during the landing operations there as late as the 6th of June.

I spent three days on the Island of Oahu and everywhere, as at the Navy Yard, the war activities have multiplied almost beyond belief.

On the afternoon of my arrival my old friend, Gen. Douglas MacArthur, arrived by air from New Guinea and we began a series of interesting and useful conferences accompanied by Admiral Nimitz and my own Chief of Staff, Admiral Leahy, and General Richardson, the Commanding General of Army Forces in the Hawaiian area, and Admiral Halsey, Commander of the Third Fleet.

In these three days we talked about Pacific problems and the best methods of conducting the Pacific campaign in the future. The discussions developed complete accord both in the understanding of the problem that confronts us and in the opinion as to the best methods for its solution. All of us must bear in mind the enormous size of the Pacific area, keeping a mental map of the whole of it in mind.

The Hawaiian Islands used to be considered an outpost. We were not allowed to fortify Guam nor did we fortify Wake or Midway or Samoa.

Today the Hawaiian Islands are no longer a mere outpost. They constitute a major base from which, and from the Pacific Coast, front-line operations are being conducted twice as far away as the distance between the Coast and Hawaii. The Hawaiian Islands have helped to make possible the victories at Guadalcanal and New Guinea and the Marshalls and the Marianas. The Islands will make possible future operations in China—make possible the recapture and independence of the Philippines, and make possible the carrying of war into the home islands of Japan itself and its capital city of Tokyo.

In a few minutes I want to say another word about the future of the Pacific.

During the rest of my stay in Hawaii I visited many activities, including the great air fields, the hospitals, and an ambulance plane at Hickham Field which had just come in with wounded men from Saipan; and I saw a large Army group which was going through a complete course in jungle warfare—an art which we have developed so expertly that our troops are more than a match in the jungle for any Japanese whom we have yet to meet. I am very proud of the basic training and the final training our sons are getting at home and overseas.

Rejoining our ship, we headed for the Aleutian Islands, four days later arriving at Adak and one of the more westerly islands of the group. There again I found intense activity at what might be called a nearly completed advance base. It was from here that a great part of the expeditions for the recapture of Attu and Kiska started. Adak two years ago was a bleak and practically uninhabited island which, with the other Aleutian islands, seemed relatively unimportant in the plans for the security of our own continent.

You here can well realize the commotion which followed the Japanese occupation of Attu and Kiska and you may have thought that the chiefs of staff in Washington were not paying enough attention to the threat against Alaska and the Coast. We realized, of course, that such a Japanese threat could become serious if it was unopposed, but we knew also that Japan did not have the naval and air power to carry this into effect without greater resources and a longer time to plan.

Preparations to throw the Japanese from their toeholds had been laid even before the Japanese got there, and the rest of the story you know. It took great preparations and heavy fighting to eject them from Attu and by the time the great expedition to recapture Kiska got there the Japanese had decided that discretion was the better part of valor; they decided retirement and retreat was better for them than hari-kari. They abandoned the Aleutians.

The climate at Adak is not the most inviting in the world, but I want to say a word of appreciation to the thousands of officers and men of all the services who have built up this base and other bases in the extreme northwest in such a short time to a point where the people of our Pacific Coast, of British Columbia, and of Alaska can feel certain that we are safe against Japanese invasion on any large scale.

Delayed by fog and rain, we had to give up putting in at Dutch Harbor but we did stop at Kodiak, a large island off the end of the Alaskan peninsula. Here, also, the three services have completed a very excellent, though smaller, base. The first little town we had seen in Alaska waters and the first trees made me think of the coasts of Maine and Newfoundland.

We were told that a number of officers and men at this and other ports are considering settling in Alaska after the war is over. I hope that this is so because the development of Alaska has only been scratched and it is still the country of the pioneer. Only a small part of its mineral resources have been explored and there is, of course, an abundance of fish and game and timber, together with great possibilities for agriculture.

I could not help remembering that the climate, the crops and other resources are not essentially different from northern Europe—Norway, Sweden and Finland—and the people of these countries in spite of the cold and, in winter, the darkness have brought their civilizations to a high and prosperous level. On my return to Washington I am going to set up a study of Alaska and the Aleutian Islands as a place to which many veterans of this war, especially those who do not have strong roots in their own homes, can go to become pioneers. It is a land with a small population but which I am convinced has great opportunities for those who are willing to work and to help build up all kinds of new things in new lands.

This trip has given me a chance to talk over the social and economic future of the Hawaiian Islands with Governor Stainback and the future of the people of Alaska with Governor Gruening. He asked me to assure you that the tan which I have acquired in the last few days has come from the Alaska sun. Near Juneau I played hookey for three hours, went fishing and caught one halibut and one flounder.

Speaking again of the future of the defense of the Pacific and the use of its strong points in order to prevent attacks on us, you who live in the Pacific Northwest have realized that a line for sea and air navigation following the Great Circle course from Puget Sound to Siberia and northern China passed very close to the Alaskan coast and thence westward along the line of the Aleutian Islands. From the point of view of national defense, therefore, it is essential that our control of this route shall be undisputed.

Everybody in Siberia and China knows that we have no ambition to acquire land on the continent of Asia. We as a people are utterly opposed to aggression or sneak attacks—but we as a people are insistent that other nations must not under any circumstances through the foreseeable future commit such attacks against the United States. Therefore, it is essential that we be fully prepared to prevent them for all time to come. The word and the honor of Japan cannot be trusted.

That is a simple statement from the military, naval and air point of view. But with the end of a Japanese threat there is an excellent outlook for a permanent peace in the whole of the Pacific area. It is, therefore, natural and proper for us to think of the economic and commercial future. It is logical that we should foresee a great interchange of commerce between our shores and those of Siberia and China—and in this commercial development Alaska and the Aleutian Islands become automatic stepping stones for trade, both by water and by cargo planes. And this means the automatic development of transportation to Alaska via British Columbia and as far north as the Yukon. It is as long as 10 years ago that I talked with Mr. Mackenzie King, Prime Minister of Canada, in regard to the development of highways and air routes and even a railroad to Alaska via British Columbia and the Yukon. Great interest in both nations was aroused but it took the war to get quick action. Today the Alcan Highway is practically completed and an air route to Fairbanks enables us to deliver thousands of planes to our ally Russia by way of Alaska, the Bering Straits and Siberia. These planes are an important factor in the brilliant and brave advance of the Russian armies on their march to Berlin. And I might observe also that our close relations and true friendship with Canada during these years have proved to be an illustrious example of working hand in hand with your neighbor for the general good.

South of the Alaska-Aleutians route the use of island groups must also be considered for defense and for commerce in getting to and from the American and Asiatic continents. We understand at last the importance of the Hawaiian Islands. It is important that we have other bases—forward bases nearer to Japan than they lie. The same thing is true in regard to the defense of all the American republics from Mexico past the Panama Canal and all the way down to Chile.

There are hundreds of islands in the South Pacific which bear the same relation to South America and the Panama Canal as Hawaii bears to North America. These islands are possessions of the British Empire and the French. They are important commercially just as tney are from the defense point of view, for they lead to New Zealand, Australia, the Dutch East Indies and the southern Philippines. With all these places we shall undoubtedly have a growing trade.

We have no desire to ask for any possessions of the United Nations. But the United Nations who are working so well with us in the winning of the war will, I am confident, be glad to join with us in protection against aggression and in machinery to prevent aggression. With them and with their help I am sure that we can agree completely so that Central and South America will be as safe against attack from the South Pacific as North America is going to be from the North Pacific itself.

The self-interests of our allies will be affected by fair and friendly collaboration with us. They, too, will gain in national security. They will gain economically. The destinies of the peoples of the whole Pacific will for many years be entwined with our own destiny. Already there are stirring among hundreds of millions of them a desire for the right to work out their own destinies and they show no evidence of seeking to overrun the earth—with one exception.

That exception is and has been for many, many years that of Japan and the Japanese people—because whether or not the people of Japan itself know and approve of what their war lords have done for nearly a century, the fact remains that they seem to be giving hearty approval to the Japanese policy of acquisition of their neighbors and their neighbors' lands and a military and economic control of as many other nations as they can lay their hands on. It is an unfortunate fact that other nations cannot trust Japan. It is an unfortunate fact that years of proof must pass before we can trust Japan and before we can classify Japan as a member of the society of nations which seek permanent peace and whose word we can take.

In removing the future menace of Japan to us and to our continent we are holding out the hope that other people in the Far East can be freed from the same threat. The people of the Philippines never have wished and never will wish to be slaves to Japan. And the same thing is true of the peoples of Korea, that ancient kingdom which was overrun by the Japanese half a century ago, the peoples of Manchuria and all the rest of China. The same thing is true of the people of Indo-China, the people of Siam, the peoples of Java and even the most primitive peoples of New Guinea and of the so-called mandated islands which we are in the splendid process of throwing the Japanese out of.

I am glad to have the opportunity of taking this short trip, first for the conferences with General MacArthur and Admiral Nimitz and, secondly, for the first-hand view of certain bases which are of vital importance to the ending of the war and to the prevention in the future of any similar attack.

More than a million of our troops are overseas in the Pacific. The war is well in hand in this vast area but I cannot tell you, if I knew, when the war will be over, either in Europe or in the Far East or the war against Japan.

It will be over the sooner if the people of this country will maintain the making of the necessary supplies and ships and planes. By so doing, we will hasten the day of peace. by so doing we will save our own pocketbooks and those of our children; by so doing we will save the lives of our sons, and by so doing we will run a better chance of substantial unity among the United Nations in laying more securely the foundation of a lasting peace.

Refugees Of 19 Nationalities Arrive In U. S. To Be Housed At Ft. Ontario

A group of 984 European refugees arrived at Hoboken, N. J., on Aug. 4 en route for Fort Ontario, at Oswego, N. Y., in accordance with plans of President Roosevelt, announced on June 9, to house them at the site until after the war. Secretary of the Interior Harold Ickes announced on July 26 that preparations had been completed by the War Relocation Authority at Fort Ontario for receiving the group, which had crossed the Atlantic from Italy in 13 days and traveled in two trains from New York City over night.

The group will be housed at the historic Fort, the Secretary explained, for the wartime period in two-story barracks which have been remodeled into family apartments. Thirty barrack buildings have now been divided by partitions so that each contains eight apartments of varying size. These have been equipped with running water and supplied with cots, tables, chairs and clothing lockers. Domitory space has also been prepared for the individual refugees who are not attached to family groups, WRA officials said.

The refugees represent 19 nationalities, ranging in age from three weeks to 80 years. In Associated Press advices from Oswego Aug. 5 it was stated:

The only restrictions placed on the refugees are that they remain within the 80-acre fort area and that they go to meals on time.

Under civilian administration, headed by Joseph H. Smart, center director, a certain amount of self-government is planned. Within a week, he stated, it was hoped to organize a refugee committee which would be a liaison group between the refugees and the administration.

In a message Aug. 6 to the refugees Secretary Ickes expressed a hope for renewed strength and faith with which to face a future "in which the dignity of the individual man will be recognized and assured everywhere."

His message to the group, said the Associated Press, was read by Dillon S. Myer, national director of the War Relocation Authority, at a ceremony in which interested Oswego residents participated, also said:

"On behalf of the United States Government, I extend to you a hearty welcome for the duration of the war or until you can be safely returned tc your homelands across the sea.

"I hope that this haven from the intolerance, suffering and persecution that you have undergone will in some measure ease your tragic memories.

"The United States has become a great republic and a strong democracy through the intermingling of all races and creeds. Let me assure you that we shall endeavor to make your sojourn at the Oswego center as comfortable as it is possible to make it, and to this end, we solicit your full cooperation."

The announcement from the Department of the Interior on July 26 had the following to say regarding the housing of the refugees:

"The War Relocation Authority, which was made responsible by the President for administration of the emergency refugee shelter, will take over custody of the ground at the Fort from the Army on July 28. The staff of approximately 40 WRA employees—some detailed from the Washington office of the agency and others recruited for full-time work at the shelter—is now stationed at the fort making final arrangements for the refugees' arrival. Director of the shelter is Joseph H. Smart, former field assistant director for WRA in Denver, and more recently stationed in Peru, with the Office of Coordinator of Inter-American Affairs.

"Secretary Ickes said that during the first few weeks after arrival of the refugees, while WRA is registering them in completing the necessary health and security checks, visiting at the shelter will be permitted only by authorized representatives of the press and cooperating agencies. The group is being brought to this country outside regular immigration quotas and will be given sanctuary, according to the President's announcement, for the duration of the war.

"At the shelter, refugees will be provided with food, housing and medical care. Small cash grants will also be made on the basis of individual need to cover minimum clothing essentials and personal requirements such as soap and toothpaste.

"The War Relocation Authority is planning to rely on the refugees to the greatest possible extent for the performance of tasks incident to the operation and the maintenance of the shelter and expects to have oniy a small staff of appointed personnel stationed at the Fort after the initial period of operation.

"Information received from a WRA representative who is returning from Europe with the refugees indicates, it was announced, that most of the refugee group are Jewish with small contingents of Roman Catholics, Greek Orthodox, and Protestant. The principal nationalities represented are Austrian, Yugoslav, Polish, German, Russian and Czech. The group is expected to arrive some time after Aug. 1."

The President's plans for the bringing to this country of 1,000 refugees were noted in our issue of June 22, page 2617.

Wartime Influences Make All-Time Highs In Store Results

While all previous records were eclipsed in the operating results of various divisions in department and specialty store business during 1943, the data covering total sales and net profits were due respectively to abnormal wartime buying power and demand, and restrictions in connection with customer services. These facts are emphasized in the "Department Merchandising and Operating Results of Department and Specialty Stores," for the past year, which is compiled by the Controllers' Congress of the National Retail Dry Goods Association, and which it was announced on July 27 would shortly be off the press. It is indicated that, based on the reports of 299 Department and Apparel Specialty Stores, the net profit from operations in the typical store was 10.2% of sales in 1943, as compared with 7.5% in 1942, 5.1% in 1941 2.3% in 1940, and 1.6% in 1939. According to H. I. Kleinhaus, who as General Manager of the Controllers' Congress prepared the report, the factor of greatest weight in bringing about this 1943 net result was the reduction in customer service. The operating expense rate, he points out, dropped to 28.7%, the decline in per cent. to sales being 2.5%—almost equivalent to the difference in profit between the two years, or 2.7%.

The advices also stated: "The increase in gross margin was small, only 0.2%.

"There was a marked difference in the gain in sales volume recorded by the "downstairs" or "basement" as compared with the "main store" showing, the former reporting a 12% gain as against a 21% rise for the latter."

Churchill Tells Commons That Armies Of Germany And Japan Are Recoiling

Addressing the House of Commons on Aug. 2 on the war situation, Prime Minister Winston Churchill, in indicating that he had "upon the whole a good report to make," said that "on every battlefront all over the world the armies of Germany and Japan are recoiling; they are recoiling before the armed forces of many nations which in various groupings form the Grand Alliance. In the air, and on land, and on the sea and under the sea, our well-established supremacy increases with steady strides."

The Prime Minister is also reported in Associated Press accounts from Washington as saying that "I am increasingly led to feel that the interval between the defeat of Hitler and the defeat of Japan will be shorter — perhaps much shorter — than I had at one time supposed."

The press accounts went on to say:

He mentioned no dates. But, confident and cheerful, he sketched bright pictures of a swiftly approaching victory. He spoke one hour and forty-five minutes before the House, which had just voted itself a seven-week holiday.

Aside from the Japanese reference, the most definite statement he made on this score was:

"I fear greatly the raising of false hopes, but I no longer feel bound to deny that victory may come perhaps soon."

In the same vein he said that "one cannot take more than a sweeping glance of the World War as it approaches the end of its fifth year and as it approaches perhaps its closing stage."

A possibility of German collapse by mid-September was mentioned by Foreign Secretary Anthony Eden in a speech preceding the Prime Minister's address. Mr. Eden said in debate over the Government-sponsored motion for the seven-week recess that while there was no chance of peace being concluded with Germany in that period, "surrender of the enemy" was possible.

Further London Associated Press advices regarding Mr. Churchill's speech before the House are taken as follows from the New York "Sun":

Mr. Churchill disclosed that the Normandy invasion and the coordinated Red Army offensive resulted from an agreement with Premier Stalin at Teheran.

The news from Normandy, he stated, is extremely good.

Of Italy he said: "We may hope that operations of the utmost vigor will be continued by Gen. Alexander (Allied commander in chief) and his army throughout the summer and autumn."

But he added that while things were going well there, "it is the Russian Army who have done the most work tearing the guts out of the German Army."

Other highlights from the Prime Minister's war summary:

1. "The whole of Europe," he said, "is sliding irresistably into new and secure foundations."

2. The United States Navy alone is already double the size of Japan's and the British fleet in Asiatic waters will be greatly strengthened by the end of the year.

3. American and British-Canadian forces were of about equal strength in the invasion of Normandy, but the United States forces now are larger. "We have inflicted losses on the enemy about double those which we have suffered ourselves."

4. To critics of British tanks, he said both the Cromwell and the American-made Sherman were excellent and "the notorious Churchill," the most thickly skinned 60-tonner, "is coming into its own."

5. The Germans were warned that the only result of their indiscriminate use of rocket bombs —which may become heavier and more destructive — "will be that their punishment after their weapons have been struck from their hands by our fighting men will be appreciably increased." The Prime Minister brought the war sharply home to Britons with the disclosure that 4,735 persons have been killed by rocket bombs since the attacks began June 15.

6. He confirmed Turkish severance of diplomatic and economic ties with Germany and said that if the Axis struck at Turkey, "we shall make common cause with her and take the German menace as well as we can in our stride."

7. With negotiators of the Polish Government in Exile in Moscow, he said it would be a marvelous thing if a fusion of rival Polish forces could be proclaimed "when Warsaw is being liberated by the bravery of the Russian armies."

Perhaps because so many war and post-war developments are now in the stage of delicate negotiation, Mr. Churchill contented himself largely with generalities.

"The highest personalities in the German Reich are murdering one another, or trying to, while avenging armies of the Allies close upon the doomed and even narrowing circle of their power," he said.

He pledged British aid to Turkey if she were attacked as a result of her break in relations with Germany. He reported Bulgaria's moment for shifting from her Axis allegiance had not passed, "but it is passing swiftly." He said Russia "has offered generous terms to Romania and I have no doubt they would be accepted with gratitude by the Romanian people" if their leaders were not cowed by the Germans.

Explaining a lack of explicitness on post-war problems, particularly boundaries, Mr. Churchill said:

"It would be very troublesome to all of us here if I made a pronouncement on the subject here and found myself contradicted by our most considerable allies. . . ."

"Cannot we be content with broad declarations on which we are all agreed — that there is to be a world council to preserve peace which will in the first instance be formed and guided by the major powers."

He continued: "Important discussions on the official level are shortly to begin in Washington. When these are completed we shall all of us have a very much better idea of where we stand.

"It is vain and idle for any one country to try to lay down the law on this subject or to try to trace frontiers or to describe the instruments by which those frontiers will be maintained without further bloodshed."

"In the air, on the sea and under the sea our well-established supremacy increases with steady strides," the confident Prime Minister told the House.

He declared the German U-boats had been so badly beaten that the Allies, despite vastly greater tonnage, "have sailed the seas from January to June with less than half the losses we have inflicted on the dwindling and largely immobile naval resources of the enemy, both in the East and West."

He added that the American highway in Burma now is carrying far more tonnage than ever was delivered in similar time over the old Burma Road.

He said the Normandy invasion had been carried out on schedule, despite the worst June gales in 40 years, and declared, "very large armies, with about one vehicle to every four or five men, were landed" across the beaches of France, although the Germans had 100 submarines and other obstacles in their path.

The losses of the British and Canadians were proportionately about the same as those of the Americans and "it has been share and share alike all along the front."

In speaking of the Russians, Mr. Churchill said: "There are no other forces in the world that could have been called into being except after several more years that would have been able to maul and break the German Army."

"I salute Marshal Stalin, the great champion of a great country, and I firmly believe that our 20-year treaty with Russia will prove to be one of the most durable factors in preserving peace and good order and the progress of Europe.

"It might well be that the Russian successes have been somewhat aided by the strategy of Corporal Hitler. Even military idiots find it difficult not to see some faults in some of his actions."

Mr. Churchill said there was great improvement in British relations with Gen. Charles de Gaulle's French committee, "largely as the result of careful spadework of Mr. Eden and the great success attending Gen. de Gaulle's visit to President Roosevelt."

Turning to Poland, he said it seemed reasonable that Russia should expect that there should be a friendly Poland and that the Allies would welcome any fusion between Polish forces now working with the western forces and those working with the Soviet Union.

"It would be a marvelous thing if that could be proclaimed . . . when Warsaw is being liberated by the bravery of Russian armies," he said.

Conditions have improved considerably in Yugoslavia; the Greek Navy again is at sea and a Greek brigade soon will join the battle in Italy, he said.

The Prime Minister expressed regret that Argentina "has chosen to dally with evil and also, not only with evil, but with the losing side."

Argentina, he said, "has not seen fit to declare herself whole heartedly, unmistakably and with no reserve and qualification on the side of freedom."

United States and British ambassadors have been recalled from Buenos Aires.

Liberated Countries May Not Have To Import Vast Food Stores After The War

Dr. Forrest F. Hill, Chairman of the Department of Agricultural Economics of Cornell University, told a meeting of County Farm Bureau Executive Committees from Western New York on Aug. 11, at Buffalo, that liberated countries may not have to import "vast stores of food" from America after the war, according to an Associated Press dispatch from Buffalo, on Aug. 12, which also reported further remarks of Dr. Hill as follows:

"Say the war in Europe ends this year. The people of France, Holland, Belgium and other liberated nations will have plenty of time during the winter to prepare for next year's crops, and if they have a good crop year they'll be on their feet again agriculturally."

New Cotton Exch. Members

John H. Scatterty, President of the New York Cotton Exchange, announced on Aug. 4 that the Board of Managers have elected Luther H. Hodges, New York City, and David Maybank, Charleston, S. C., to membership. Mr. Hodges is Vice-President of Marshall Field & Co., Inc., and Mr. Maybank is a partner of John F. Maybank & Co.

Federal Reserve June Business Indexes

The Board of Governors of the Federal Reserve System issued on July 25 its monthly indexes of industrial production, factory employment and payrolls, etc. At the same time, the Board made available its customary summary of business conditions. The indexes for June, together with a comparison for a month and a year ago, follow:

BUSINESS INDEXES

1939 average = 100 for factory employment and payrolls;
1923-25 average = 100 for construction contracts;
1935-39 average = 100 for all other series

	Adjusted for —Seasonal Variation—			Without Seasonal Adjustment		
	——1944——		1943	——1944——		1943
	June	May	June	June	May	June
Industrial production—						
Total	*235	237	237	*236	237	238
Manufactures—						
Total	*251	253	258	*252	253	259
Durable	*352	357	358	*353	358	359
Nondurable	*169	169	177	*170	168	178
Minerals	*143	143	117	*147	146	121
Construction contracts, value—						
Total	*31	33	45	*37	40	53
Residential	*16	16	32	*17	19	36
All other	*44	46	55	*53	57	67
Factory employment—						
Total	*158.6	159.6	169.0	*158.4	159.0	168.8
Durable goods	*216.4	218.4	228.3	*216.6	218.4	228.5
Nondurable goods	*113.0	113.3	122.3	*112.5	112.2	121.7
Factory payrolls—						
Total	---	---	---	†	318.3	317.1
Durable goods	---	---	---	†	445.7	441.6
Nondurable goods	---	---	---	†	193.7	195.4
Freight carloadings	139	138	127	144	141	132
Department store sales, value	175	183	167	162	180	155
Department store stocks, value	†	146	143	†	149	136

*Preliminary. †Data not yet available.

Note—Production, carloading, and department store sales indexes based on daily averages. To convert durable manufactures, nondurable manufactures, and minerals indexes to points in total index, shown in Federal Reserve Chart Book, multiply durable by .379, nondurable by .469, and minerals by .152.

Construction contract indexes based on 3-month moving averages, centered at second month, of F. W. Dodge data for 37 Eastern States. To convert indexes to value figures, shown in the Federal Reserve Chart Book, multiply total by $410,269,000, residential by $184,137,000, and all other by $226,132,000.

Employment index, without seasonal adjustment, and payrolls index compiled by Bureau of Labor Statistics.

INDUSTRIAL PRODUCTION
(1935-39 average = 100)

	Adjusted for —Seasonal Variation—			Without Seasonal Adjustment		
	——1944——		1943	——1944——		1943
Manufactures—	June	May	June	June	May	June
Iron and steel	*204	210	201	*204	210	201
Pig iron	†	203	190	†	203	190
Steel	225	234	227	225	234	227
Open hearth	183	188	177	183	188	177
Electric	526	559	583	526	559	583
Machinery	*439	440	441	*439	440	441
Transportation equipment	*721	728	743	*721	728	743
Automobiles	*227	229	215	*227	229	215
Nonferrous metals and products	†	279	262	†	279	262
Smelting and refining	*253	273	276	*252	273	275
Lumber and products	*118	124	128	*124	126	135
Lumber	*106	115	118	*115	119	128
Furniture	*142	141	148	*142	141	148
Stone, clay and glass products	*161	161	175	*165	165	177
Plate glass	65	66	41	65	66	41
Cement	†	76	127	†	79	136
Clay products	*125	122	139	*123	121	137
Gypsum and plaster products	*176	180	204	*180	182	208
Abrasive & asbestos products	*297	300	325	*297	300	325
Textiles and products	*146	147	155	*146	147	155
Cotton consumption	140	142	160	140	142	160
Rayon deliveries	196	195	183	196	195	183
Wool textiles	†	152	160	†	152	160
Leather products	*114	112	114	*113	112	113
Tanning	†	110	114	†	110	112
Cattle hide leathers	†	118	122	†	118	117
Calf and kip leathers	†	86	86	†	83	88
Goat and kid leathers	†	86	82	†	84	83
Sheep and lamb leathers	†	136	162	†	147	160
Shoes	*118	114	114	*118	114	114
Manufactured food products	*153	154	144	*153	147	144
Wheat flour	*108	110	102	*104	106	98
Meatpacking	*174	180	159	*172	180	158
Other manufactured foods	*154	157	146	*145	141	137
Processed fruits & vegetables	*133	145	130	*102	94	100
Tobacco products	†	124	124	†	124	128
Cigars	†	89	102	†	89	102
Cigarettes	†	154	149	†	154	156
Other tobacco products	†	80	78	†	81	80
Paper and products	†	142	140	†	142	140
Paperboard	156	159	152	156	159	152
Newsprint production	†	76	91	†	77	92
Printing and publishing	*100	98	112	*100	100	111
Newsprint consumption	85	81	102	84	84	101
Petroleum and coal products	†	236	177	†	237	177
Petroleum refining	†	246	180	†	246	180
Gasoline	*137	130	109	*137	130	109
Fuel oil	†	162	138	†	162	138
Lubricating oil	†	118	120	†	123	120
Kerosene	†	126	126	†	127	119
Coke	†	175	157	†	175	157
Byproduct	†	166	152	†	166	152
Beehive	*486	470	318	*486	470	318
Chemicals	*324	325	399	*321	324	396
Rayon	*237	235	213	*237	235	213
Industrial chemicals	*410	410	366	*410	410	366
Rubber	*231	230	230	*231	230	230
Minerals—						
Fuels	*146	146	115	*146	146	115
Bituminous coal	*158	159	103	*158	159	103
Anthracite	*128	134	74	*128	134	74
Crude petroleum	*144	142	124	*144	142	124
Metals	†	121	128	†	145	159
Iron ore	†	†	†	†	313	341

*Preliminary or estimated. †Data not yet available.

FREIGHT CARLOADINGS
(1935-39 average = 100)

Coal	148	147	100	148	147	100
Coke	194	190	166	191	188	162
Grain	135	128	137	137	113	140
Livestock	121	118	113	100	106	86
Forest products	143	140	139	154	146	145
Ore	187	195	192	291	281	297
Miscellaneous	143	144	142	147	145	146
Merchandise, l.c.l.	67	67	63	66	67	63

Note—To convert coal and miscellaneous indexes to points in total index, shown in the Federal Reserve Chart Book, multiply coal by .213 and miscellaneous by .548.

Aluminum And Magnesium Restrictions Lifted

The War Production Board on July 15 authorized the lifting of some of the current restrictions on the use of aluminum and magnesium in the first of four orders carrying into effect Chairman Donald M. Nelson's program for the limited reconversion of industry.

This order approved substitution of aluminum, now in easier supply, for other metals in any civilian goods now being manufactured. The action, however, does not increase the output of any consumer item.

Some restrictions on the use of the light metal, considered necessary to protect arms production, are continued, but WPB announced that "any one who wants to use aluminum for any purpose not covered by the order, or who wants to increase his use over the allowed limits, may ask for permission."

The restrictions continued in force were intended chiefly to prevent the diversion of labor from war production to the manufacture of peace-time goods.

The order of July 15 makes possible the use of aluminum for pots and pans, but production still is held to the quotas established for those articles when made from steel. The metal may also be used in the manufacture of cans for the packing of fruits, vegetables and other products.

To insure that the new order does not interfere with output of aluminum for military purposes, WPB inserted a "deferred allotment" procedure. Under this provision, WPB may issue "deferred" allotments of the metal for new uses, which will permit producers to delay the filling of orders for civilian goods if they would interfere with war orders.

The schedule calls for issuance on July 22 of an order permitting manufacturers to build experimental models of planned postwar products. Another on July 29 will permit manufacturers to place purchase orders for machine tools which will be needed for peacetime production. On Aug. 15 the most important order of the series will be issued, authorizing WPB field offices to approve the manufacture of civilian goods by plants which have idle labor and machinery.

Magnesium also may be used as a substitute for scarcer metals, but WPB said there were no large-scale civilian uses of that metal at present.

Business Failures Lower—Liabilities Higher

July business failures were lower in number but the amount of liabilities involved were higher than in June. Business insolvencies in July, according to Dun & Bradstreet, totaled 91 and involved $3,559,000 liabilities, as compared with 110 involving $1,854,000 in June and 203 involving $3,595,000 in July a year ago.

The decrease in the number of failures in July from June took place in all the divisions of trade into which the report is divided with the exception of the wholesale and commercial service groups. When the amount of liabilities is considered it is found that only the retail and construction groups had smaller amounts of liabilities in July than in June.

Manufacturing failures last month numbered 23, involving $2,451,000 liabilities, compared with 31 in June, with $1,071,000 liabilities. Wholesale failures increased from 7 to 8 and the liabilities from $95,000 in June to $159,000 in July. In the retail trade section insolvencies were down from 51 to 41 and liabilities from $305,000 to $291,000. Construction failures numbered 9 in July with $144,000 liabilities, which compares with 12 with $159,000 liabilities in June. Commercial service failures numbered 10 in July as against 9 in June and liabilities $514,000 against $224,000 in June.

When the country is divided into Federal Reserve Districts, it is learned that the New York, Philadelphia and Kansas City Reserve Districts had more failures in July than in June, the Atlanta Reserve District had the same number, the Minneapolis and Dallas Reserve Districts again do not report any failures, while all of the remaining districts show fewer failures in July than in June. When the amount of liabilities involved is considered, it is found that outside of the districts that did not report any failures, only the New York, Atlanta, Chicago and Kansas City Reserve Districts had fewer liabilities involved in July than in June and the remaining districts had more.

Steel Production Off 1%—Order Volume Up—Caution Appearing In Forward Steel Buying

"A drop in steel production occasioned by the heat and a high absentee rate, a heavy influx of steel orders despite news from abroad, and the lifting of the ban on civilian goods production by the WPB were a few of the highlights in the steel and allied industries this week," the "Iron Age" states in its issue of today (Aug. 17), further adding:

"The decline in raw steel operations comes at a time when practically all types of steel orders have been on the increase. Compared to the first 15 days of July, it is estimated that the corresponding August period indicates an order volume increase of as much as 10% with some companies. The result of this factor has been to further delay or push back deliveries on many steel items.

"Some sources believe that the War Department cutbacks in the aircraft industry will free a considerably larger number of workers than the War Department has estimated. Over the next 12-month period the War Department has indicated that more than 120,000 workers will be released. Some WPB officials, however, are said to believe, on the basis of their estimates, that as many as 300,000 workers might be released in the aircraft industry because of cutbacks by December of this year.

"On the steel front this week were reports that the gigantic shell program may be in for a temporary cutback. Any decline in requirements, however, providing the war in Europe does not end suddenly, would have to be made up subsequently. It is believed that at a WPB production meeting scheduled for Aug. 25 in Washington some action may be taken to cut the immediate requirements for shell steel. It is said that this situation has arisen because many new heavy shell plants have not come into production as quickly as expected because of the reported inability to get shell-making equipment. The shell program materialized so quickly that equipment manufacturers have been faced with a terrific job of producing such items as presses, heating furnaces and other machinery needed to produce the required shells. By October the bulk of the shell production lines are expected to be in operation and steel requirements then will bounce back to the original schedule.

"The flat-rolled situation this week is in no better shape than it has been recently and the sheet carryover is continually mounting. Any effort to work off these carryovers by boosting sheet output would only result in plate carryovers increasing.

"In some areas flat-rolled buying is said to be cautious with a slight increase in cancellations.

"The manpower shortage as well as the unavailability of material will probably cause a drop in domestic freight car production this year from an earlier estimate of 60,000 freight cars. A 40,000-car year now seems apparent excluding the 39,500 freight cars which are being constructed this year for the United States Army."

The American Iron and Steel Institute on Aug. 14 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 94% of the steel capacity of the industry will be 96% of capacity for the week beginning Aug. 14, compared with 97% one week ago, 97.2% one month ago and 98.2% one year ago. The operating rate for the week beginning Aug. 14 is equivalent to 1,719,600 tons of steel ingots and castings, compared to 1,737,500 tons one week ago, 1,741,800 tons one month ago, and 1,710,900 tons one year ago.

"STEEL" of Cleveland, in its summary of the iron and steel markets, on Aug. 14 stated in part as follows:

"With no diminution in pressure for nearby delivery of steel increased caution is appearing in attitude of consumers toward forward commitments.

"A parallel factor causing decrease in inquiry is inability of mills to accept orders for as early delivery as usually is required. This situation is bringing out additional directives to meet urgent shifts in emphasis on military requirements, which further delays delivery of other essential tonnage.

"This increasing hesitancy on the part of steel consumers to make forward commitments has not stopped efforts to place additional large tonnages by the government. Further scheduling of heavy shell and artillery work is as great as at any time. Demand for shell bars is such that recently delivery promises of one producer of large rounds, 2⅜ inches and over, jumped in the course of one week from March to June next year, due principally to the shell program. Substantial forward buying and some directive allocations for nearby delivery are reported for radar, military trucks and various types of bombs.

"Shipbuilding is sustained by urgency for certain types of naval vessels and the longer range requirements now shaping up, which will be aided by the recent cutback in submarine construction. For lighter craft a substantial tonnage recently was placed under directive for railroad barges to be completed for export by the middle of October. A yard in the Philadelphia district was awarded contracts for 35 such craft, requiring 17,500 tons of steel, mainly plates.

"Steel ingot production in July, while not approaching the record set in March, continues high at 7,474,297 net tons, which was larger than that of June or of July, 1943. Bessemer and electric furnace steel output declined but open-hearth steel increased more than enough to make up this loss, 90% of total production for the month being of that grade. Effect of labor shortage and hot weather is evident in the fact that four earlier months this year showed higher production than did July.

"Iron ore movement from Lake Superior up to Aug. 1 was 10.17% higher than to the same date last year, a gain of 3,903,198 gross tons. Total shipments to that date aggregated 42,285,902 tons. June total was 12,908,972 tons, a decline of 679,842 tons, or 5%, from June, 1943."

Wholesale Prices Down In Week Ended Aug. 5 Labor Department Reports

"Sharp seasonal decreases in market prices for most fruits and vegetables and lower prices for cotton and oats brought the Bureau of Labor Statistics' comprehensive index of prices in primary markets down 0.3% during the first week in August," said the U. S. Department of Labor in its Aug. 10 announcement, which went on to say: "There were also reductions in synthetic alcohol and ponderosa pine lumber. The decline followed a period of four weeks during which the general level remained unchanged. The all-commodity index now stands at 103.6% of the 1926 average. It is 0.3% lower than for the first week in July and 0.6% above the level prevailing a year ago," stated the Department's report which continued:

"Farm Products and Foods—Changes in market prices for farm products during the week were mixed. Quotations for apples dropped nearly 20% and oranges about 11%. Prices were substantially lower for white potatoes, except in the West, where OPA allowed upward adjustments. There were declines also for barley and oats, for cotton, for cows, fair to good steers, and for live poultry in the New York market. Higher prices were reported for wheat, good to choice steers, light hogs, eggs in most markets, and onions. The index for the farm products group dropped 1.3% during the week and was lower by 1.3% than during the first week in July. Average prices for farm products were 2% below the corresponding week in August, 1943.

"The declines in prices for fresh fruits and vegetables, and the drop of nearly 2% for rye flour largely accounted for the 0.7% decrease in the index for foods. There were upward adjustments in wheat flour prices, and quotations were higher for onions and fresh milk in the New York market. At 104.6% of the 1926 average the foods group index is 1.3% below the first week in July and nearly 2% lower than at this time last year.

"Industrial Commodities—In the industrial commodity markets price changes were limited. Quotations for goatskins were higher and prices for denims were advanced nearly 5% under the cotton price formula. Advances were also reported for quicksilver, rosin and turpentine, and mirrors. There were price decreases for ponderosa pine lumber, synthetic alcohol, and uniform serge suiting."

The following notation is included in the Labor Department's report:

Note—During the period of rapid changes caused by price controls, materials allocation, and rationing, the Bureau of Labor Statistics will attempt promptly to report changing prices. Indexes marked (*), however, must be considered as preliminary and subject to such adjustment and revision as required by later and more complete reports.

The following tables show (1) index numbers for the principal groups of commodities for the past three weeks, for July 8, 1944 and Aug. 7, 1943, and the percentage changes for a week ago, a month ago, and a year ago, and (2) percentage changes in subgroup indexes from July 29 to Aug. 5, 1944.

WHOLESALE PRICES FOR WEEK ENDED AUG. 5, 1944
(1926=100)

Commodity Groups—	8-5 1944	7-29 1944	7-22 1944	7-8 1944	8-7 1943	Percentage change to Aug. 5, 1944 from— 7-29 1944	7-8 1944	8-7 1943
All commodities	*103.6	*103.9	*103.9	*103.9	103.0	—0.3	—0.3	+ 0.6
Farm products	*103.6	*103.9	*103.9	*103.9	103.0	—0.3	—0.3	+ 0.6
Foods	104.6	105.3	106.0	106.0	106.6	—0.7	—1.3	— 1.9
Hides and leather products	116.8	116.8	116.8	116.8	118.4	0	0	— 1.4
Textile products	97.5	97.4	97.4	97.3	96.9	+0.1	+0.2	+ 0.6
Fuel and lighting materials	83.8	83.9	83.9	83.8	81.6	—0.1	0	+ 2.7
Metals and metal products	*103.8	*103.8	*103.8	*103.8	103.8	0	0	0
Building materials	116.0	115.9	115.9	115.8	111.9	+0.1	+0.2	+ 3.7
Chemicals and allied products	105.2	105.2	105.2	105.4	100.1	0	—0.2	+ 5.1
Housefurnishing goods	106.0	106.0	106.0	106.0	104.2	0	0	+ 1.7
Miscellaneous commodities	93.3	93.3	93.3	93.3	92.2	0	0	+ 1.2
Raw materials	112.9	113.8	113.8	113.8	113.5	—0.8	—0.8	— 0.5
Semimanufactured articles	93.8	93.8	93.8	93.7	92.7	0	+0.1	+ 1.2
Manufactured products	*101.0	*101.1	*101.1	*101.1	99.9	—0.1	—0.1	+ 1.1
All commodities other than farm products	*99.5	*99.5	*99.5	*99.5	98.3	0	0	+ 1.2
All commodities other than farm products and foods	*98.7	*98.7	*98.7	*98.7	97.2	0	0	+ 1.5

*Preliminary.

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM JULY 29, 1944 TO AUG. 5, 1944

Increases			
Cotton goods	0.2	Paint and paint materials	0.2
Dairy products	0.2	Cereal products	0.1
Hides and skins	0.2	Other miscellaneous	0.1
Decreases			
Fruits and vegetables	4.7	Grains	0.1
Other farm products	1.9	Other foods	0.1
Livestock and poultry	0.8	Woolen and worsted goods	0.1

National Fertilizer Association Wholesale Commodity Price Index Declines

The weekly wholesale commodity price index, compiled by the National Fertilizer Association and made public on Aug. 14, declined to 138.4 in the latest week ending Aug. 12. A week ago this index was 138.8, a month ago it was 138.0, and a year ago 135.0, based on the 1935-1939 average as 100. This is the first decline in the index since the week ended May 27 when it stood at 136.8. The Association's report added:

There were two groups in the composite index that declined and one that advanced during the latest week. The foods and farm products groups declined and the textiles group advanced fractionally. The foods group receded because of lower prices for eggs. The farm products group declined rather sharply. Declining prices in the grains and livestock sub-groups more than offset an advance in the cotton sub-group. Lower prices for wheat, oats, and rye were responsible for the decline in the grains index. There were hgiher quotations for some hogs, but the price increase was not sufficient to offset the decline in cattle, lambs, sheep, and eggs. The textiles group was fractionally higher as cotton quotations advanced slightly. All industrial commodities remained at the previous week's level.

During the week nine price series in the index declined and two advanced; in the preceding week there were four declines and nine advances; and in the second preceding week there were five declines and eight advances.

WEEKLY WHOLESALE COMMODITY PRICE INDEX
Compiled by The National Fertilizer Association
1935-1939=100*

% Each Group Bears to the Total Index	Group	Latest Week Aug. 12, 1944	Preceding Week Aug. 5, 1944	Month Ago July 15, 1944	Year Ago Aug. 14, 1943
25.3	Foods	141.4	141.6	140.8	138.6
	Fats and Oils	145.1	145.1	145.1	145.6
	Cottonseed Oil	163.1	163.1	163.1	160.7
23.0	Farm Products	161.4	162.9	159.8	154.4
	Cotton	202.1	201.5	208.0	195.9
	Grains	154.9	157.8	160.2	145.0
	Livestock	157.0	158.7	151.6	150.3
17.3	Fuels	130.1	130.1	130.1	122.8
10.8	Miscellaneous commodities	132.2	132.2	132.2	130.2
8.2	Textiles	152.5	152.4	153.3	150.6
7.1	Metals	104.4	104.4	104.4	104.4
6.1	Building materials	154.0	154.0	153.4	152.5
1.3	Chemicals and drugs	126.9	126.9	126.9	126.6
.3	Fertilizer materials	118.3	118.3	118.3	117.7
.3	Fertilizers	119.7	119.7	119.7	119.8
.3	Farm machinery	104.5	104.5	104.5	104.1
100.0	All groups combined	138.4	138.8	138.0	135.0

*Indexes on 1926-1928 base were: Aug. 12, 1944, 107.8; Aug. 5, 1944, 108.1; and Aug. 14, 1943, 105.2.

Moody's Bond Prices And Bond Yield Averages

Moody's computed bond prices and bond yield averages are given in the following table:

MOODY'S BOND PRICES†
(Based on Average Yields)

1944— Daily Averages	U. S. Govt. Bonds	Avge. Corporate rate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
Aug. 15	119.86	112.56	118.60	117.20	112.37	103.30	106.92	114.08	117.40
14	119.92	112.75	118.80	117.20	112.37	103.30	106.92	114.08	117.20
12	119.88	112.75	118.80	117.20	112.37	103.30	106.92	114.08	117.20
11	119.84	112.56	118.60	117.00	112.37	103.30	106.92	114.08	117.20
10	119.88	112.56	118.60	117.20	112.19	103.30	106.92	114.08	117.00
9	120.01	112.56	118.60	117.00	112.19	103.30	106.74	114.08	117.20
8	120.03	112.56	118.60	117.00	112.19	103.30	106.74	114.27	117.00
7	120.00	112.56	118.80	117.00	112.19	103.30	106.92	114.27	117.20
5	120.05	112.56	118.80	117.00	112.19	103.30	106.92	114.27	117.00
4	120.08	112.56	118.80	117.00	112.19	103.30	106.74	114.08	117.20
3	120.14	112.56	118.80	117.00	112.19	103.30	106.74	114.08	117.20
2	120.14	112.56	118.80	117.00	112.19	103.30	106.92	114.08	117.20
1	120.09	112.56	118.80	117.00	112.19	103.30	106.74	114.08	117.20
July 28	120.10	112.37	118.60	116.80	112.19	103.13	106.56	114.27	117.00
21	120.18	112.56	118.60	117.00	112.19	103.13	106.56	114.27	117.20
14	120.23	112.56	118.60	117.20	112.19	103.13	106.39	114.08	117.40
7	120.27	112.56	118.60	117.00	112.37	102.96	106.21	114.08	117.40
June 30	120.15	112.37	118.60	116.80	112.00	102.80	106.04	113.89	117.40
23	120.13	112.19	118.40	116.80	112.00	102.63	106.04	113.89	117.20
16	120.01	112.19	118.40	116.61	112.00	102.63	105.86	113.70	117.20
9	119.88	112.19	118.60	116.61	111.81	102.46	105.69	113.89	117.20
2	119.99	112.19	118.60	116.80	111.81	102.46	105.86	113.89	117.00
May 26	119.66	112.19	118.40	116.80	111.81	102.30	105.86	113.89	117.00
19	119.59	112.00	118.60	116.80	111.81	102.13	105.86	113.89	116.80
12	119.48	112.00	118.60	116.80	111.81	101.64	105.52	113.89	116.80
5	119.48	111.81	118.40	116.61	111.62	101.47	105.52	113.70	116.41
Apr. 28	119.35	111.81	118.40	116.61	111.62	101.47	105.34	113.70	116.41
Mar. 31	119.68	111.44	118.20	116.41	111.25	100.81	104.66	113.70	116.22
Feb. 25	120.21	111.25	118.20	116.41	111.07	100.32	104.31	113.50	116.22
Jan. 28	119.47	111.07	118.20	116.22	111.07	100.16	104.14	113.31	116.41
High 1944	120.44	112.75	118.80	117.20	112.37	103.30	106.92	114.27	117.40
Low 1944	119.34	110.70	118.20	116.22	110.88	99.04	103.30	113.12	116.02
High 1943	120.87	111.44	119.41	117.00	111.81	99.36	103.47	114.27	117.40
Low 1943	116.85	107.44	116.80	113.89	108.88	92.35	97.16	111.81	114.46
1 Year Ago Aug. 14, 1943	120.29	111.25	119.20	117.00	111.62	99.64	103.30	113.89	117.20
2 Years Ago Aug. 15, 1942	117.92	106.92	116.80	113.31	108.16	91.91	96.23	111.44	114.08

MOODY'S BOND YIELD AVERAGES
(Based on Individual Closing Prices)

1944— Daily Averages	U. S. Govt. Bonds	Avge. Corporate rate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
Aug. 15	1.81	3.03	2.72	2.79	3.04	3.55	3.34	2.95	2.78
14	1.80	3.02	2.71	2.79	3.04	3.55	3.34	2.95	2.79
12	1.81	3.02	2.71	2.79	3.04	3.55	3.34	2.95	2.79
11	1.81	3.03	2.72	2.80	3.04	3.55	3.34	2.95	2.79
10	1.81	3.03	2.72	2.79	3.05	3.55	3.34	2.95	2.80
9	1.80	3.03	2.72	2.80	3.05	3.55	3.35	2.95	2.79
8	1.79	3.03	2.72	2.80	3.05	3.55	3.35	2.94	2.80
7	1.80	3.03	2.71	2.80	3.05	3.55	3.34	2.94	2.79
5	1.79	3.03	2.71	2.80	3.05	3.55	3.34	2.94	2.80
4	1.79	3.03	2.71	2.80	3.05	3.55	3.35	2.95	2.79
3	1.79	3.03	2.71	2.80	3.05	3.55	3.35	2.95	2.79
2	1.79	3.03	2.71	2.80	3.05	3.55	3.34	2.95	2.79
1	1.79	3.03	2.71	2.80	3.05	3.55	3.35	2.95	2.79
July 28	1.79	3.04	2.72	2.81	3.05	3.56	3.36	2.94	2.80
21	1.79	3.03	2.72	2.80	3.05	3.56	3.36	2.94	2.79
14	1.78	3.03	2.72	2.79	3.05	3.56	3.37	2.95	2.78
7	1.78	3.03	2.72	2.80	3.04	3.57	3.38	2.95	2.78
June 30	1.79	3.04	2.72	2.81	3.06	3.58	3.39	2.96	2.78
23	1.79	3.05	2.73	2.81	3.06	3.59	3.39	2.96	2.79
16	1.80	3.05	2.73	2.82	3.06	3.59	3.40	2.97	2.79
9	1.82	3.05	2.72	2.82	3.07	3.60	3.41	2.96	2.79
2	1.81	3.05	2.72	2.81	3.07	3.60	3.40	2.96	2.80
May 26	1.84	3.05	2.73	2.81	3.07	3.61	3.40	2.96	2.80
19	1.84	3.06	2.72	2.81	3.07	3.62	3.40	2.96	2.81
12	1.85	3.06	2.72	2.81	3.07	3.65	3.42	2.96	2.81
5	1.85	3.07	2.73	2.82	3.08	3.66	3.42	2.97	2.83
Apr. 28	1.86	3.07	2.73	2.82	3.08	3.66	3.43	2.97	2.83
Mar. 31	1.83	3.09	2.74	2.83	3.10	3.70	3.47	2.97	2.84
Feb. 25	1.81	3.10	2.74	2.83	3.11	3.73	3.49	2.98	2.84
Jan. 28	1.87	3.11	2.74	2.84	3.11	3.74	3.50	2.99	2.83
High 1944	1.87	3.13	2.74	2.84	3.12	3.81	3.55	3.00	2.85
Low 1944	1.77	3.02	2.71	2.79	3.04	3.55	3.34	2.94	2.78
High 1943	2.08	3.31	2.81	2.96	3.23	4.25	3.93	3.07	2.93
Low 1943	1.79	3.09	2.68	2.80	3.07	3.79	3.54	2.94	2.78
1 Year Ago Aug. 14, 1943	1.83	3.10	2.69	2.80	3.08	3.81	3.55	2.96	2.79
2 Years Ago Aug. 15, 1942	2.02	3.34	2.81	2.99	3.27	4.28	3.99	3.09	2.95

*These prices are computed from average yields on the basis of one "typical" bond 3¾% coupon, maturing in 25 years) and do not purport to show either the average evel or the average movement of actual price quotations. They merely serve to llustrate in a more comprehensive way the relative levels and the relative movement of yield averages, the latter being the true picture of the bond market.

†The latest complete list of bonds used in computing these indexes was published in the issue of Jan. 14, 1943, page 202.

Money In Circulation

The Treasury Department in Washington has issued its customary monthly statement showing the amount of money in circulation after deducting the money held in the U. S. Treasury and by Federal Reserve Banks and agents. The figures this time are those of June 30, 1944, and show that the money in circulation at that date (including of course that held in bank vaults of member banks of the Federal Reserve System) was $22,504,077,880 as against $22,160,029,257 on May 31, 1944, and $17,421,259,973 on June 30, 1943, and compares with $5,698,214,612 on Oct. 31, 1920. Just before the outbreak of the first World War, that is, on June 30, 1914, total was $3,459,434,174.

Results Of Treasury Bill Offering

The Secretary of the Treasury announced on Aug. 14 that the tenders of $1,200,000,000, or thereabouts, of 91-day Treasury bills to be dated Aug. 17 and to mature Nov. 16, 1944, which were offered on Aug. 11, were opened at the Federal Reserve Banks on Aug. 14.

The details of this issue are as follows:

Total applied for, $2,033,411,000. Total accepted, $1,205,774,000 (includes $62,038,000 entered on a fixed price basis at 99.905 and accepted in full).

Average price 99.905, equivalent rate of discount approximately 0.375% per annum.

Range of accepted competitive bids (excepting one tender of $10,000):

High, 99.908, equivalent rate of discount approximately 0.364% per annum.

Low, 99.905, equivalent rate of discount approximately 0.376% per annum.

(54% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on Aug. 17 in the amount of $1,206,312,000.

London Office Of Bankers Trust Damaged By Robots

The London office of the Bankers Trust Co., at 26 Old Broad Street, was damaged recently by a flying bomb which exploded 50 yards away, without casualties among the office staff or property loss not covered by insurance, according to details just received in New York. All securities and records, being in vault storage off the premises, were untouched. The Trust Company on Aug. 11 stated that "the incident occurred on a recent Saturday afternoon, after all of the office staff had left the bank. Not a pane of glass was left intact and the office was a mass of wreckage, but the bank was open at the usual time the following Monday morning." A report received from R. H. Oxley, Manager of Bankers Trust Co.' London office, reads as follows:

"Arriving at the scene earl Saturday evening, I found a trul appalling spectacle. It was difficult to get into the building at al but when I did, it was almost impossible to get round the premises because of fallen doors an partitions, as well as for the eno mous amount of glass scattere all over the place. With the re of the office staff, we started on Sunday morning and by 4: p.m. had got the majority of t woodwork stacked, glass collect and dumped outside and desks r erected, so we were ready to sta work as usual on Monday mor ing. For the time being we ha a super-abundance of fresh a for, of course, every single wi dow has gone, but neverthel we are thankful that the util services, including telephone, g electricity and water are s functioning."

A report from D. Somers, Au tor of Bankers Trust Co.'s Lon office, advises that "damage for the most part superfic nothing of value having been which was not covered by insurance."

Moody's Daily Commodity Ind

Tuesday, Aug. 8, 1944
Wednesday, Aug. 9
Thursday, Aug. 10
Friday, Aug. 11
Saturday, Aug. 12
Monday, Aug. 14
Tuesday, Aug. 15
Two weeks ago, Aug. 1
Month ago, July 25
Year ago, Aug. 14, 1943
1943 High, April 1
Low, Jan. 2
1944 High, March 17
Low, Jan. 5

Daily Average Crude Oil Production For Week Ended Aug. 5, 1944 Reached A New Peak

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Aug. 5, 1944 was 4,650,650 barrels, establishing a new high record. This was 42,200 barrels per day in excess of the preceding week, and exceeded the corresponding week in 1943 by 448,050 barrels per day. The current figure, however, was 5,650 barrels below the daily average figure recommended by the Petroleum Administration for War for the month of August, 1944. Daily output for the four weeks ended Aug. 5, 1944 averaged 4,619,250 barrels. Further details as reported by the Institute follow:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 4,529,000 barrels of crude oil daily and produced 14,144,000 barrels of gasoline; 1,373,000 barrels of kerosine; 4,969,000 barrels of distillate fuel oil, and 8,443,000 barrels of residual fuel oil during the week ended August 5, 1944; and had in storage at the end of that week 80,801,000 barrels of gasoline; 11,800,000 barrels of kerosine; 39,410,000 barrels of distillate fuel, and 56,755,000 barrels of residual fuel oil. The above figures apply to the country as a whole, and do not reflect conditions on the East Coast.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*P. A. W. Recommendations August	*State Allowables begin. Aug. 1	Actual Production Week Ended Aug. 5, 1944	Actual Production Change from Previous Week	4 Weeks Ended Aug. 5, 1944	Week Ended Aug. 7, 1943
Oklahoma	332,000	340,000	†339,100	— 400	340,300	329,900
Kansas	274,000	269,400	†240,450	—38,800	270,900	277,700
Nebraska	1,000	----	†900	— 50	900	2,000
Panhandle Texas			98,700	+ 9,550	91,550	90,300
North Texas			148,750	— 2,800	150,850	140,400
West Texas			484,950	+21,400	468,900	258,400
East Central Texas			147,650	— 700	148,200	129,800
East Texas			371,700	+ 8,150	365,600	371,000
Southwest Texas			321,650	+ 1,900	320,200	238,600
Coastal Texas			535,200	+ 3,800	532,300	474,250
Total Texas	2,099,000	‡2,101,382	2,108,600	+41,300	2,077,600	1,702,750
North Louisiana			73,750	+ 1,400	72,600	83,600
Coastal Louisiana			288,950	+ 3,550	286,300	268,500
Total Louisiana	350,000	393,117	362,700	+ 4,950	358,900	352,100
Arkansas	78,000	78,235	80,600	+ 100	80,500	76,850
Mississippi	40,000		47,100	+ 2,050	45,300	48,400
Alabama			200		200	----
Florida			50	----	50	----
Illinois	215,000		207,200	— 400	205,000	227,000
Indiana	14,000		12,850	— 550	12,900	14,700
Eastern— (Not incl. Ill., Ind., Ky.)	71,400		79,800	+26,650	65,300	74,200
Kentucky	23,000		25,600	+ 650	24,500	23,700
Michigan	51,000		57,700	+ 6,850	52,100	55,400
Wyoming	100,000		98,650	+ 5,200	91,800	101,350
Montana	24,000		21,800	— 100	22,000	21,450
Colorado	7,900		8,050	— 550	8,500	6,900
New Mexico	110,000	110,000	108,500	----	108,400	104,000
Total East of Calif.	3,790,300		3,799,850	+46,900	3,765,150	3,418,400
California	866,000	§866,000	850,800	— 4,700	854,100	784,200
Total United States	4,656,300		4,650,650	+42,200	4,619,250	4,202,600

*P.A.W. recommendations and state allowables, as shown above, represent the production of crude oil only, and do not include amounts of condensate and natural gas derivatives to be produced.

†Oklahoma, Kansas, Nebraska figures are for week ended 7:00 a.m. Aug. 3, 1944.

‡This is the net basic allowable as of Aug. 1 calculated on a 31-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 1 to 15 days, the entire state was ordered shut down for 7 days, no definite dates during the month being specified; operators only being required to shut down as best suits their operating schedules or labor needed to operate leases, a total equivalent to 7 days shutdown time during the calendar month. §Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED AUG. 5, 1944

(Figures in Thousands of barrels of 42 Gallons Each)

Figures in this section include reported totals plus an estimate of unreported amounts and are —therefore on a Bureau of Mines basis—

District—	Daily Refining Capacity Potential Rate	Daily Refining Capacity % Reporting	Crude Runs to Stills Daily Average	Crude Runs to Stills % Operated	§Gasoline Production at Refineries Includ. Natural Blended	‡Stocks Finished and Unfinished Gasoline	‡Stocks of Gas Oil and Distillate Fuel Oil	‡Stocks of Residual Fuel Oil
*Combin'd: East Coast Texas Gulf, Louisiana Gulf, North Louisiana-Arkansas and inland TexasN	2,518	90.3	2,366	94.0	7,088	36,285	21,213	17,070
Appalachian—								
District No. 1	**130**	**83.9**	100	76.9	347	1,976	793	340
District No. 2	**47**	**87.2**	37	78.7	129	1,488	137	143
Ind., Ill., Ky.	**824**	**85.2**	780	94.7	2,768	18,017	5,695	4,286
Okla., Kans., Mo.	418	80.2	366	87.6	1,366	6,679	1,723	1,504
Rocky Mountain—								
District No. 3	**13**	**17.0**	12	92.3	34	52	3	33
District No. 4	**141**	**58.3**	98	69.5	363	2,181	349	615
California	**817**	**89.9**	770	94.2	2,049	14,123	9,497	32,704
Total U. S. B. of M. basis Aug. 5, 1944	4,908	87.2	4,529	92.3	14.144	†80,801	39,410	56,755
Total U. S. B. of M. basis July 29, 1944	4,908	87.2	4,627	94.3	14,115	82,665	38,135	56,280
U. S. Bur. of Mines basis Aug. 7, 1943			3,810		10,968	71,927	34,414	67,091

*At the request of the Petroleum Administration for War. †Finished, 68,524,000 barrels; unfinished, 12,277,000 barrels. ‡Stocks at refineries, at bulk terminals, in transit and in pipe lines. §Not including 1,373,000 barrels of kerosine, 4,969,000 barrels of gas oil and distillate fuel oil and 8,443,000 barrels of residual fuel oil produced during the week ended Aug. 5, 1944, which compares with 1,314,000 barrels, 4,883,000 barrels and 8,900,000 barrels, respectively, in the preceding week and 1,010,000 barrels, 3,660,000 barrels and 7,990,000 barrels, respectively, in the week ended Aug. 7, 1943.

Note—Stocks of kerosine at Aug. 5, 1944 amounted to 11,800,000 barrels, as against 11,137,000 barrels a week earlier and 9,315,000 barrels a year before.

Weekly Coal And Coke Production Statistics

The Solid Fuels Administration for War, U. S. Department of the Interior, in its latest report, states that the total production of soft coal in the week ended Aug. 5, 1944 is estimated at 12,000,000 net tons, a decrease of 300,000 tons, or 3.1%, from the preceding week. In the corresponding week of 1943, output amounted to 11,883,000 tons. Cumulative production of soft coal from Jan. 1 to Aug. 5, 1944 totaled 377,420,000 net tons, as against 348,161,000 tons in the same period in 1943, a gain of 8.4%.

According to the U. S. Bureau of Mines, production of Pennsylvania anthracite for the week ended Aug. 5, 1944 was estimated at 1,221,000 tons, a decrease of 16,000 tons (1.3%) from the preceding week. When compared with the output in the week ended Aug. 7, 1943, there was a decrease of 88,000 tons, or 6.7%. The calendar year to date shows an increase of 7.7% when compared with the same period in 1943.

The Bureau of Mines also reported that the estimated production of beehive coke in the United States for the week ended Aug. 5, 1944 showed an increase of 3,700 tons when compared with the output for the week ended July 29, 1944, but was 17,400 tons less than for the corresponding week of 1943.

ESTIMATED UNITED STATES PRODUCTION OF COAL, IN NET TONS

Bituminous coal and lignite—	Week Ended Aug. 5, 1944	Week Ended *July 29, 1944	Week Ended Aug. 7, 1943	January 1 to Date †Aug. 5, 1944	January 1 to Date Aug. 7, 1943	January 1 to Date Aug. 7, 1937
Total incl. mine fuel	12,000,000	12,390,000	11,883,000	377,420,000	348,161,000	264,168,000
Daily average	2,000,000	2,065,000	1,981,000	2,040,000	1,872,000	1,433,000

*Revised. †Subject to current adjustment.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE

(In Net Tons)

Penn. anthracite—	Week Ended ‡Ang. 5, 1944	Week Ended §July 29, 1944	Week Ended Aug. 7, 1943	Calendar Year to Date §Aug. 5, 1944	Calendar Year to Date Aug. 7, 1943	Calendar Year to Date Aug. 7, 1937
*Total incl. coll. fuel	1,221,000	1,237,000	1,309,000	39,125,000	36,331,000	31,736,000
†Commercial produc.	1,172,000	1,188,000	1,257,000	37,562,000	34,878,000	30,149,000
Beehive coke—						
United States total	144,700	141,000	162,100	4,626,600	4,605,500	2,173,700

*Includes washery and dredge coal and coal shipped by truck from authorized operations. †Excludes colliery fuel. ‡Subject to revision. §Revised.

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES

(In Net Tons)

(The current weekly estimates are based on railroad carloadings and river shipments and are subject to revision on receipt of monthly tonnage reports from district and State sources or of final annual returns from the operators.)

State—	Week Ended July 29, 1944	Week Ended July 22, 1944	Week Ended July 31, 1943	Week Ended July 31, 1937
Alabama	402,000	387,000	396,000	264,000
Alaska	5,000	5,000	5,000	2,000
Arkansas and Oklahoma	90,000	88,000	92,000	58,000
Colorado	145,000	126,000	148,000	88,000
Georgia and North Carolina	1,000	1,000	1,000	*
Illinois	1,440,000	1,375,000	1,499,000	710,000
Indiana	570,000	566,000	513,000	234,000
Iowa	41,000	45,000	41,000	33,000
Kansas and Missouri	181,000	165,000	157,000	92,000
Kentucky—Eastern	1,013,000	984,000	998,000	745,000
Kentucky—Western	406,000	410,000	300,000	137,000
Maryland	40,000	40,000	37,000	29,000
Michigan	1,000	2,000	2,000	3,000
Montana (bitum. & lignite)	75,000	83,000	90,000	43,000
New Mexico	31,000	30,000	35,000	28,000
North & South Dakota (lignite)	42,000	45,000	38,000	13,000
Ohio	678,000	655,000	633,000	395,000
Pennsylvania (bituminous)	3,030,000	2,950,000	3,073,000	2,035,000
Tennessee	150,000	150,000	140,000	97,000
Texas (bituminous & lignite)	2,000	2,000	4,000	23,000
Utah	124,000	130,000	115,000	48,000
Virginia	386,000	370,000	406,000	245,000
Washington	28,000	35,000	31,000	32,000
†West Virginia—Southern	2,200,000	2,100,000	2,270,000	1,903,000
‡West Virginia—Northern	1,155,000	1,090,000	918,000	483,000
Wyoming	154,000	150,000	171,000	97,000
§Other Western States	*	1,000	*	*
Total bituminous & lignite	12,390,000	11,985,000	12,113,000	7,837,000
Pennsylvania anthracite	1,237,000	1,207,000	1,384,000	611,000
Total, all coal	13,627,000	13,192,000	13,497,000	8,448,000

†Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G.; and on the B. & O. in Kanawha, Mason and Clay counties. ‡Rest of State, including the Panhandle District and Grant, Mineral and Tucker counties. §Includes Arizona and Oregon. *Less than 1,000 tons.

Electric Output For Week Ended Aug. 12, 1944 Shows 3.0% Gain Over Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended Aug. 12, 1944, was approximately 4,415,368,000 kwh., compared wtih 4,287,827,000 kwh. in the corresponding week a year ago, an increase of 3.0%. The output for the week ended Aug. 5, 1944, was 3.7% in excess of the similar period of 1943.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographical Divisions—	Week Ended Aug. 12	Week Ended Aug. 5	Week Ended July 29	Week Ended July 22
New England	2.0	1.3	1.4	0.3
Middle Atlantic	*4.4	*3.1	*3.7	*3.5
Central Industrial	3.1	3.2	2.7	2.7
West Central	3.0	1.9	0.0	1.2
Southern States	6.5	8.1	9.0	9.7
Rocky Mountain	*6.0	*4.5	*5.3	*3.2
Pacific Coast	13.3	14.4	16.9	18.5
Total United States	3.0	3.7	3.9	4.4

*Decrease under similar week in 1943.

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1944	1943	% Change over 1943	1942	1932	1929
May 6	4,233,756	3,903,723	+ 8.5	3,365,208	1,436,928	1,698,942
May 13	4,238,375	3,969,161	+ 6.8	3,356,921	1,435,731	1,704,426
May 20	4,245,678	3,992,250	+ 6.3	3,379,985	1,425,151	1,705,460
May 27	4,291,750	3,990,040	+ 7.6	3,322,651	1,381,452	1,615,085
June 3	4,144,490	3,925,893	+ 5.6	3,372,374	1,435,471	1,689,925
June 10	4,264,600	4,040,376	+ 5.5	3,463,528	1,441,532	1,699,227
June 17	4,287,251	4,098,401	+ 4.6	3,433,711	1,440,541	1,702,501
June 24	4,325,417	4,120,038	+ 5.0	3,457,024	1,456,961	1,723,428
July 1	4,327,359	4,110,793	+ 5.3	3,424,188	1,341,730	1,592,075
July 8	3,940,854	3,919,398	+ 0.5	3,428,916	1,415,704	1,711,625
July 15	4,377,152	4,184,143	+ 4.6	3,565,367	1,433,903	1,727,225
July 22	4,380,930	4,196,357	+ 4.4	3,625,645	1,440,386	1,732,031
July 29	4,390,762	4,226,705	+ 3.9	3,649,146	1,426,986	1,724,728
Aug. 5	4,399,433	4,240,638	+ 3.7	3,637,070	1,415,122	1,729,667
Aug. 12	4,415,368	4,287,827	+ 3.0	3.654,795	1,431,910	1,733,110
Aug. 19	------	4,264,825		3,673,717	1,436,440	1,750,056
Aug. 26	------	4,322,195		3,639,961	1,464,700	1,761,594

Cotton Report Of Aug. 1

A United States cotton crop for 1944 of 11,022,000 bales of 500 pounds gross weight is forecast by the Crop Reporting Board of the United States Department of Agriculture, based upon information as of Aug. 1. Such a production would be 405,000 bales less than the 1943 crop and 1,433,000 bales less than average production for the 10-year (1933-42) period. The indicated lint yield per acre, at 263.5 pounds, however, is 10 pounds above the 253.5 pounds produced last year, and 37 pounds above average yield per acre. Allowing for average abandonment on the acreage in cultivation on July 1, the acreage for harvest this year is computed at 20,081,000 acres. This is the smallest cotton acreage harvested since 1895, and is approximately 7% below acreage harvested in 1943.

As the result of continued and excessive rainfall at seeding time the cotton crop got off to a poor start over the entire southern part of the Cotton Belt. Stands were somewhat spotted and the crop was several days late in most areas. During the last half of June and most of July, weather was predominantly hot and dry. This dry weather held boll weevils in check and facilitated cultivation. Timely rains during late July over most of the central part of the Cotton Belt stimulated the growth and fruiting of the plants. Rainfall is still needed in parts of Texas and Oklahoma and temperatures have been unusually high. This situation has not yet become serious, but considerable deterioration may result if dry weather continues.

Prospects on Aug. 1 were for yields above average for all States except California with record or near-record yields indicated for a number of States.

Assuming the ratio of cotton lint to cotton seed to be equal to the average estimated for the past five years a production of 4,572,000 tons of cottonseed is indicated for 1944. Production of cottonseed last year is estimated at 4,688,000 tons, of which approximately 4,000,000 tons were delivered to oil mills for crushing.

The report from the Census Bureau shows 47,981 bales of cotton ginned from the crop of 1944 prior to Aug. 1, compared with 107,053 bales for 1943 and 48,626 bales for 1942.

July Steel Output Up

A total of 7,474,297 tons of ingots and steel for castings was produced by the steel industry during July, according to the American Iron and Steel Institute, which further reported as follows:

The July total was almost 260,000 tons higher than June production of 7,217,232 tons, and also exceeded the total of 7,407,876 tons produced in July, 1943.

Of the three principal steelmaking processes, only the open hearth furnaces produced greater tonnages in July of this year than 12 months earlier. Production of Bessemer and electric furnace steel in the month just ended was lower than in the corresponding month a year ago because of decreased demand for those grades.

Open hearth furnaces, which produced 90.0% of total production in July, operated at 96.7% of capacity. Output of Bessemer steel was at 80.9% of capacity, while that of electric furnace steel represented only 74.0% of capacity. By comparison, in July, 1943, open hearth furnaces operated at 93.8%, Bessemer converters at 90.6%, and electric furnaces at 91.9%.

During July the industry operated all its furnaces at an average of 94.4% of capacity, as against operating rates of 93.9% in June and 96.2% in July of last year.

An average of 1,691,017 tons of steel was produced per week during July, as against 1,682,338 tons per week in June and 1,675,990 tons per week in June a year ago.

Trading On New York Exchanges

The Securities and Exchange Commission made public on Aug. 3 figures showing the volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended July 22, continuing a series of current figures being published weekly by the Commission. Short sales are shown separately from other sales in these figures.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended July 22 (in round-lot transactions) totaled 2,888,580 shares, which amount was 17.47% of the total transactions on the Exchange of 8,268,290 shares. This compares with member trading during the week ended July 15 of 2,581,009 shares, or 16.01% of the total trading of 8,060,880 shares. On the New York Curb Exchange, member trading during the week ended July 22 amounted to 536,555 shares, or 14.86% of the total volume on that exchange of 1,805,020 shares; during the July 15 week trading for the account of Curb members of 717,335 shares was 14.01% of total trading of 2,559,125 shares.

Total Round-Lot Stock Sales on the New York Stock Exchange and Round-Lot Stock Transactions for Account of Members* (Shares)

WEEK ENDED JULY 22, 1944

	Total for week	†%
A. Total Round-Lot Sales:		
Short sales	206,210	
‡Other sales	8,062,080	
Total sales	8,268,290	
B. Round-Lot Transactions for Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	763,650	
Short sales	81,640	
‡Other sales	654,470	
Total sales	736,110	9.07
2. Other transactions initiated on the floor—		
Total purchases	370,130	
Short sales	24,300	
‡Other sales	443,850	
Total sales	468,150	5.07
3. Other transactions initiated off the floor—		
Total purchases	249,200	
Short sales	22,470	
‡Other sales	278,870	
Total sales	301,340	3.33
4. Total—		
Total purchases	1,382,980	
Short sales	128,410	
‡Other sales	1,377,190	
Total sales	1,505,600	17.47

Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members* (Shares)

WEEK ENDED JULY 22, 1944

	Total for week	†%
A. Total Round-Lot Sales:		
Short sales	13,760	
‡Other sales	1,791,260	
Total sales	1,805,020	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	135,700	
Short sales	7,275	
‡Other sales	171,565	
Total sales	178,840	8.71
2. Other transactions initiated on the floor—		
Total purchases	35,950	
Short sales	1,300	
‡Other sales	35,875	
Total sales	37,175	2.03
3. Other transactions initiated off the floor—		
Total purchases	80,925	
Short sales	3,600	
‡Other sales	64,365	
Total sales	67,965	4.12
4. Total—		
Total purchases	252,575	
Short sales	12,175	
‡Other sales	271,805	
Total sales	283,980	14.86
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales	0	
§Customers' other sales	56,724	
Total purchases	56,724	
Total sales	48,433	

*The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.

†In calculating these percentages the total of members' purchases and sales is compared with twice the total round-lot volume on the Exchange for the reason that the Exchange volume includes only sales.

‡Round-lot short sales which are exempted from restriction by the Commission's rules are included with "other sales."

§Sales marked "short exempt" are included with "other sales."

Bank Debits For Month Of July

The Board of Governors of the Federal Reserve System issued on August 10 its usual monthly summary of "bank debits," which we give below:

SUMMARY BY FEDERAL RESERVE DISTRICTS
(In millions of dollars)

Federal Reserve District—	July 1944	July 1943	—3 Months Ended— July 1944	July 1943
Boston	3,290	3,363	10,757	9,771
New York	30,780	26,305	94,221	82,066
Philadelphia	3,183	3,000	10,073	8,916
Cleveland	4,879	4,491	14,913	13,169
Richmond	2,578	2,454	8,110	7,129
Atlanta	2,448	2,248	7,559	6,589
Chicago	11,482	10,200	34,455	29,954
St. Louis	2,021	1,842	6,706	5,776
Minneapolis	1,318	1,303	4,044	3,760
Kansas City	2,518	2,315	7,393	6,578
Dallas	2,050	1,859	6,349	5,558
San Francisco	6,397	5,967	19,468	17,222
Total, 334 centers	72,945	65,347	224,047	196,487
*New York City	28,474	23,976	86,745	75,177
*140 other centers	37,624	34,954	116,264	102,514
193 other centers	6,847	6,417	21,038	18,796

*Included in the national series covering 141 centers, available beginning in 1919.

Civil Engineering Construction Tops Both 1943 Week And Last Week

Civil engineering construction in continental United States totals $39,507,000 for the week. This volume, not including the construction by military engineers abroad, American contracts outside the country, and shipbuilding, tops both the corresponding 1943 week and the preceding week by 24%, and according to reports to **Engineering News-Record** is 6% higher than the previous four-week moving average. The report made public on Aug. 11, continued as follows:

Private work is 132% higher than in the week last year, but is 12% below last week. Public construction gains 12% over a year ago, and 38% over a week ago.

The current week's construction brings 1944 volume to $1,121,716,000 for the 32 weeks, a decrease of 48% from the $2,141,802,000 reported for the period last year. Private work, $256,482,000 is 3% lower than a year ago, and public construction, $865,234,000, is down 54% as a result of the 59% decline in federal volume. State and municipal construction is 14% above a year ago.

Civil engineering construction volumes for the 1943 week, last week, and the current week are:

	Aug. 12, 1943	Aug. 3, 1944	Aug.10, 1944
Total U. S. Construction	$31,773,000	$31,818,000	$39,507,000
Private Construction	3,379,000	8,864,000	7,844,000
Public Construction	28,394,000	22,954,000	31,663,000
State and Municipal	4,613,000	7,673,000	7,301,000
Federal	23,781,000	15,281,000	24,362,000

In the classified construction groups, gains over the 1943 week are in waterworks, industrial and commercial buildings, earthwork and drainage, streets and roads, and unclassified construction. Increases over last week are in sewerage, bridges, commercial and public buildings, earthwork and drainage, streets and roads, and unclassified construction. Subtotals for the week in each class of construction are: waterworks, $843,000; sewerage, $728,000; bridges, $590,000; industrial buildings, $1,079,000; commercial building and large-scale private housing, $6,500,000; public buildings, $9,860,000; earthwork and drainage, $2,741,000; streets and roads, $6,099,000; and unclassified construction, $11,067,000.

New capital for construction purposes for the week totals $20,619,000, and is made up of $19,619,000 in state and municipal bond sales, and $1,000,000 in corporate security issues. The week's new financing brings 1944 volume to $1,580,290,000, a total of 46% below the $2,924,770,000 reported for the 32-week 1943 period.

Non-Ferrous Metals—Lead Deliveries In August May Exceed 70,000 Tons—Zinc Quiet

"E. & M. J. Metal and Mineral Markets," in its issue of August 10, stated: "Except for growing concern about the possibility of sharp cutbacks this fall, the market for major non-ferrous metals presented little that was new during the last week. Consumption remains on a high plateau, though somewhat below peak levels. Lead consumption during August, based on total shipments to consumers, promises to establish a new high for the year, but not a new peak for the war period. WPB last week ordered another cut in aluminum production, involving the closing of two plants owned by the Defense Plant Corp. Quicksilver was firmer on evidence that demand now exceeds current production." The publication further goes on to say in part:

Copper

Inquiries for September copper are coming into the market, though not at a rate to indicate that consumers are at all concerned about the supply situation. Consumption of copper during September, the industry believes, will show little variation from the level that prevailed during July and August.

Copper production from domestic mines, in terms of recoverable metal, was 83,850 tons in June, a decrease of 4% from that of May, according to preliminary figures released by the Bureau of Mines. Output for the first half of 1944 was estimated at 529,521 tons, of which 270,053 tons was produced in the first quarter and 259,521 tons in the second quarter. The reduction in output in the second quarter was attributed to manpower shortages.

Mine output for May and June, in tons, was as follows:

	May	*June
Eastern States	1,177	1,129
Central States	4,499	4,304
Western States:		
Arizona	33,832	31,750
California	1,233	1,200
Colorado	91	86
Idaho	183	150
Montana	10,658	8,900
Nevada	5,258	5,300
New Mexico	5,293	7,086
Texas	17	15
Utah	24,979	23,400
Washington	564	530
Totals	87,784	83,850

*Preliminary.

Canada produced 24,179 tons of copper during May, against 24,813 tons in April, and 25,006 tons in May last year, according to the Dominion Bureau of Statistics.

Lead

August requirements of consumers have been provided for, and total deliveries of domestic and foreign lead this month are expected to exceed 70,000 tons, the largest monthly total for the year to date. Consumers asked for fully 33,000 tons of foreign metal to round out their August needs.

Interest is shifting to September lead. Most sellers experienced a good demand. Sales for the week that ended yesterday totaled 7,344 tons, which compares with 6,574 tons in the preceding week.

Total stocks of lead at smelters and refiners in the United States, according to the American Bureau of Metal Statistics, in tons:

	June 1	July 1
In ore and matte and in process at smelters	60,214	70,751
In base bullion:		
At smelters, etc.	8,553	8,193
In transit to refiners	2,684	4,016
In process at refineries	13,781	14,483
Refined lead	31,129	27,683
Antimonial lead	6,457	6,164
Totals	122,818	131,290

Canada produced 10,245 tons of lead during May, which compares with a monthly average of 18,375 tons for 1943. Production in Canada has been curtailed because of smaller British demands.

Zinc

The zinc industry reported a quiet market last week. Consumers appear to be disposed to keep down their inventories. WPB is expected to do away with issuing monthly allocation certificates in the near future, to reduce paper work, just as in copper. Consumers, however, will be required to file regular monthly reports and limit purchases to a month's requirements.

Mine output of zinc for June was estimated at 61,085 tons, against 62,001 tons in May and 63,814 tons in April, the Bureau of Mines reports.

Aluminum

The War Production Board announced another reduction in the output of aluminum to keep supplies from accumulating and aid in the conservation of manpowe and materials.

Statistics were released by th Aluminum and Magnesium Division during the last week, showing that May output of primar aluminum amounted to 152,900,00 pounds, against 155,600,000 pound in April. Production of aluminu from secondary sources amounte to 59,900,000 pounds in May against 60,900,000 pounds in April

Shipments of aluminum products during May totaled 221,200,000 pounds, against 218,300,00 pounds in April. Though shipments to consumers rose silghtl in May, the total for the mont was about 5% below the peak established in March.

Tin

Developments in tin in the controlled war market are few an far between.

The price situation in tin remains unchanged. Straits qualit tin for shipments, in cents pe pound, was nominally as follows

	August	Sept.	Oct.
August 3	52.000	52.000	52.00
August 4	52.000	52.000	52.00
August 5	52.000	52.000	52.00
August 7	52.000	52.000	52.00
August 8	52.000	52.000	52.00
August 9	52.000	52.000	52.00

Chinese, or 99% tin, was unchanged at 51.125¢ per pound.

Quicksilver

The firmer tone in quicksilve that has prevailed since the middle of July continued throughou last week. Sellers regarded $103 as the minimum on round lots with small parcels, spot delivery at $105 to $106 per flask.

The June statistics confirmed the view entertained by most producers that production is being reduced sufficiently to steady the price situation, providing surplus stocks are kept off the market. Production for June was estimated at 3,000 flasks, with consumption at 3,400 flasks.

Silver

Silver production from domestic mines, in terms of recoverable metal, amounted to 3,181,616 oz. in May, against 3,059,533 oz. in April, the Bureau of Mines reports.

The London market for silver was quiet and unchanged at 23½d. The New York Official for foreign silver continued at 44¾c., with domestic metal at 70⅝c.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Aug. 9 a summary for the week ended July 29 of complete figures showing the daily volume of stock transactions for odd-lot account of all odd-lot dealers and specialists who handled odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures are based upon reports filed with the Commission by the odd-lot dealers and specialists.

STOCK TRANSACTIONS FOR THE ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON THE N. Y. STOCK EXCHANGE

Week Ended July 29, 1944

	Total for Week
Odd-Lot Sales by Dealers (Customers' purchases)	
Number of orders	18,958
Number of shares	539,704
Dollar value	$20,574,688
Odd-Lot Purchases by Dealers— (Customers' sales)	
Number of Orders:	
Customers' short sales	188
*Customers' other sales	18,815
Customers' total sales	19,003
Number of Shares:	
Customers' short sales	6,312
*Customers' other sales	480,435
Customers' total sales	486,747
Dollar value	$17,158,483
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales	70
†Other sales	122,360
Total sales	122,430
Round-Lot Purchases by Dealers:	
Number of shares	164,270

*Sales marked "short exempt" are reported with "other sales."

†Sales to offset customers' odd-lot orders and sales to liquidate a long position which is less than a round lot are reported with "other sales."

Revenue Freight Car Loadings During Week Ended Aug. 5, 1944 Decreased 20,075 Cars

Loading of revenue freight for the week ended August 5, 1944 totaled 890,458 cars, the Association of American Railroads announced on August 10. This was an increase above the corresponding week of 1943 of 18,325 cars, or 2.1%, and an increase above the same week in 1942 of 40,237 cars or 4.7%.

Loading of revenue freight for the week of August 5 decreased 20,075 cars, or 2.2% below the preceding week.

Miscellaneous freight loading totaled 395,062 cars, a decrease of 5,446 cars below the preceding week, but an increase of 17,082 cars above the corresponding week in 1943.

Loading of merchandise less than carload lot freight totaled 104-786 cars, an increase of 1,071 cars above the preceding week, and an increase of 5,784 cars above the corresponding week in 1943.

Coal loading amounted to 176,116 cars, a decrease of 4,785 cars below the preceding week, but an increase of 2,970 cars above the corresponding week in 1943.

Grain and grain products loading totaled 52,299 cars, a decrease of 5,110 cars below the preceding week and a decrease of 5,563 cars below the corresponding week in 1943. In the Western Districts alone, grain and grain products loading for the week of August 5 totaled 36,377 cars, a decrease of 3,349 cars below the preceding week and a decrease of 5,766 cars below the corresponding week in 1943.

Livestock loading amounted to 15,669 cars, an increase of 791 cars above the preceding week, and an increase of 1,508 cars above the corresponding week in 1943. In the Western Districts alone loading of live stock for the week of August 5 totaled 11,054 cars an increase of 858 cars above the preceding week, and an increase of 901 cars above the corresponding week in 1943.

Forest products loading totaled 50,073 cars, a decrease of 3,047 cars below the preceding week but an increase of 2,463 cars above the corresponding week in 1943.

Ore loading amounted to 82,165 cars, a decrease of 3,008 cars below the preceding week and a decrease of 5,878 cars below the corresponding week in 1943.

Coke loading amounted to 14,288 cars, a decrease of 541 cars below the preceding week, and a decrease of 41 cars below the corresponding week in 1943.

All districts reported increases compared with the corresponding week in 1943, except the Eastern and Northwestern, and all districts reported increases compared with 1942 except the Northwestern.

	1944	1943	1942
5 Weeks of January	3,796,477	3,531,811	3,858,479
4 weeks of February	3,159,492	3,055,725	3,122,942
4 weeks of March	3,135,155	3,073,445	3,174,781
5 weeks of April	4,068,625	3,924,981	4,209,907
4 weeks of May	3,446,252	3,363,195	3,311,637
5 weeks of June	4,343,193	4,003,393	4,139,395
4 weeks of July	3,463,512	3,455,328	3,431,395
Week of August 5	890,458	872,133	850,221
Total	26,303,164	25,280,011	26,098,757

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Aug. 5, 1944. During the period 64 roads showed increases when compared with the corresponding week a year ago.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS
(NUMBER OF CARS) WEEK ENDED AUG. 5

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1944	1943	1942	1944	1943
Eastern District—					
Ann Arbor	294	255	389	1,349	1,675
Bangor & Aroostook	1,099	954	1,027	432	255
Boston & Maine	6,865	6,348	5,929	13,713	14,232
Chicago, Indianapolis & Louisville	1,312	1,404	1,359	2,116	2,225
Central Indiana	23	22	29	64	39
Central Vermont	1,086	725	1,036	2,400	2,198
Delaware & Hudson	5,939	6,582	6,617	12,758	11,957
Delaware, Lackawanna & Western	7,685	7,693	7,402	10,647	12,394
Detroit & Mackinac	241	182	346	144	104
Detroit, Toledo & Ironton	1,782	2,025	1,511	1,337	1,317
Detroit & Toledo Shore Line	309	329	307	2,914	2,500
Erie	13,103	13,247	12,800	17,562	17,458
Grand Trunk Western	3,898	3,627	4,007	8,224	7,876
Lehigh & Hudson River	143	151	146	2,648	2,954
Lehigh & New England	2,060	2,103	2,258	1,636	1,837
Lehigh Valley	9,165	8,451	9,049	16,136	14,780
Maine Central	2,354	2,370	2,265	2,569	2,221
Monongahela	6,154	6,377	6,385	368	427
Montour	2,591	2,332	2,305	16	174
New York Central Lines	50,758	56,148	46,782	56,554	58,508
N. Y., N. H. & Hartford	9,195	9,355	9,447	17,278	19,013
New York, Ontario & Western	1,262	1,265	961	3,311	2,768
New York, Chicago & St. Louis	6,745	7,018	7,094	16,458	15,685
N. Y., Susquehanna & Western	463	512	310	2,232	2,416
Pittsburgh & Lake Erie	7,490	7,704	7,631	9,179	9,137
Pere Marquette	5,385	4,916	5,166	7,797	7,972
Pittsburg & Shawmut	874	901	804	22	19
Pittsburg, Shawmut & North	321	406	372	278	319
Pittsburgh & West Virginia	1,303	1,036	1,151	2,670	3,602
Rutland	364	319	371	1,145	1,143
Wabash	5,626	5,721	5,684	12,482	13,575
Wheeling & Lake Erie	5,967	5,211	5,202	4,478	6,154
Total	161,856	165,689	156,142	230,917	236,934
Allegheny District—					
Akron, Canton & Youngstown	704	764	627	1,340	1,107
Baltimore & Ohio	47,632	43,716	41,960	30,003	30,264
Bessemer & Lake Erie	6,629	6,002	7,173	2,252	2,067
Buffalo Creek & Gauley	*351	251	281	*3	4
Cambria & Indiana	1,279	1,755	1,930	7	3
Central R. R. of New Jersey	6,771	7,236	7,410	20,775	20,905
Cornwall	554	648	658	46	30
Cumberland & Pennsylvania	221	238	280	31	10
Ligonier Valley	153	146	125	31	21
Long Island	2,016	1,942	1,006	3,506	3,919
Penn-Reading Seashore Lines	1,753	1,895	1,729	2,534	2,780
Pennsylvania System	88,156	85,149	83,239	66,745	66,561
Reading Co.	14,089	16,591	14,412	29,790	29,174
Union (Pittsburgh)	19,531	20,978	21,202	7,448	7,184
Western Maryland	4,370	4,643	4,007	13,101	13,246
Total	194,209	191,954	186,039	177,612	177,275
Pocahontas District—					
Chesapeake & Ohio	29,831	28,188	27,373	14,050	14,329
Norfolk & Western	22,262	23,317	23,530	8,117	6,764
Virginian	4,420	4,740	4,342	2,293	2,119
Total	56,513	55,245	55,245	24,460	23,212
Southern District—					
Alabama, Tennessee & Northern	382	331	352	422	370
Atl. & W. P.—W. R. R. of Ala	776	715	808	2,696	2,901
Atlanta, Birmingham & Coast	907	943	969	1,138	1,104
Atlantic Coast Line	9,684	10,903	10,511	9,451	10,081
Central of Georgia	3,787	3,778	3,768	5,272	4,125
Charleston & Western Carolina	616	447	490	1,686	1,493
Clinchfield	1931	1,823	1,784	2,965	2,589
Columbus & Greenville	180	285	383	355	153
Durham & Southern	145	103	126	657	506
Florida East Coast	889	1,393	915	1,239	1,739
Gainesville Midland	56	46	46	99	98
Georgia	1,108	1,195	1,257	2,550	3,001
Georgia & Florida	548	698	675	684	528
Gulf, Mobile & Ohio	4,292	3,796	4,223	4,582	4,178
Illinois Central System	28,795	27,480	26,118	17,428	17,574
Louisville & Nashville	25,877	25,083	25,032	12,265	11,376
Macon, Dublin & Savannah	239	282	210	720	691
Mississippi Central	299	294	171	552	551
Nashville, Chattanooga & St. L.	3,067	3,176	2,841	4,647	4,322
Norfolk Southern	991	1,048	1,185	1,445	1,422
Piedmont Northern	380	385	316	1,146	1,096
Richmond, Fred. & Potomac	425	423	431	9,918	9,371
Seaboard Air Line	8,811	9,541	10,134	7,893	8,385
Southern System	25,511	22,170	24,400	24,927	23,100
Tennessee Central	694	538	529	765	798
Winston-Salem Southbound	130	101	116	985	1,163
Total	120,520	116,977	117,790	116,487	112,805
Northwestern District—					
Chicago & North Western	19,821	22,262	21,057	13,475	15,152
Chicago Great Western	2,669	3,210	2,296	3,622	3,121
Chicago, Milw., St. P. & Pac.	21,681	20,734	19,186	11,218	10,915
Chicago, St. Paul, Minn. & Omaha	3,385	4,213	3,344	3,914	4,095
Duluth, Missabe & Iron Range	27,983	29,108	30,432	263	287
Duluth, South Shore & Atlantic	722	973	757	522	608
Elgin, Joliet & Eastern	9,148	7,959	10,013	10,869	11,000
Ft. Dodge, Des Moines & South	388	441	521	129	98
Great Northern	25,203	26,165	27,515	6,539	6,041
Green Bay & Western	543	390	472	1,021	1,160
Lake Superior & Ishpeming	3,111	3,671	2,586	45	39
Minneapolis & St. Louis	2,009	2,001	2,288	2,512	2,412
Minn., St. Paul & S. S. M.	7,353	7,966	7,153	3,464	2,944
Northern Pacific	12,331	11,638	11,349	6,459	5,752
Spokane International	135	144	204	503	463
Spokane, Portland & Seattle	3,306	2,795	2,694	3,490	3,168
Total	139,788	143,670	141,867	68,045	67,255
Central Western District—					
Atch., Top. & Santa Fe System	28,168	21,355	22,680	14,293	11,803
Alton	3,840	3,481	3,329	4,651	4,367
Bingham & Garfield	450	569	698	78	78
Chicago, Burlington & Quincy	20,178	21,164	18,716	13,472	12,351
Chicago & Illinois Midland	3,109	3,089	2,480	882	1,024
Chicago, Rock Island & Pacific	14,344	11,796	12,210	14,495	12,026
Chicago & Eastern Illinois	2,884	2,678	2,146	6,483	5,658
Colorado & Southern	807	1,018	794	2,633	2,023
Denver & Rio Grande Western	4,087	4,146	3,710	5,327	6,987
Denver & Salt Lake	783	792	689	32	20
Fort Worth & Denver City	1,106	941	1,310	2,167	2,136
Illinois Terminal	2,638	1,829	1,452	2,301	2,038
Missouri-Illinois	1,218	1,202	1,355	758	499
Nevada Northern	1,772	1,785	2,126	102	146
North Western Pacific	1,142	1,209	1,217	957	1,073
Peoria & Pekin Union	3	10	12	0	0
Southern Pacific (Pacific)	34,034	32,521	31,030	16,129	13,430
Toledo, Peoria & Western	296	267	277	2,120	1,899
Union Pacific System	18,352	15,633	14,787	18,172	17,669
Utah	484	529	592	4	5
Western Pacific	2,109	2,197	2,429	4,547	4,881
Total	141,804	128,211	124,039	109,603	100,113
Southwestern District—					
Burlington-Rock Island	931	434	648	377	192
Gulf Coast Lines	5,663	5,299	4,206	2,380	2,878
International-Great Northern	2,640	2,290	2,782	3,854	3,344
Kansas, Oklahoma & Gulf	283	254	396	894	1,168
Kansas City Southern	5,528	5,021	4,874	2,999	2,572
Louisiana & Arkansas	3,894	3,401	4,169	2,561	3,403
Litchfield & Madison	313	391	285	1,321	1,313
Midland Valley	641	758	681	399	268
Missouri & Arkansas	84	162	171	356	422
Missouri-Kansas-Texas Lines	6,692	5,571	5,338	5,431	5,751
Missouri Pacific	18,558	16,813	16,519	19,497	18,892
Quanah Acme & Pacific	48	61	70	278	254
St. Louis-San Francisco	9,792	8,524	8,889	8,498	10,245
St. Louis Southwestern	3,259	2,735	2,597	7,447	7,829
Texas & New Orleans	12,347	13,598	12,166	5,435	5,340
Texas & Pacific	4,976	4,989	5,133	7,896	6,109
Weatherford M. W. & N. W.	90	70	120	44	39
Wichita Falls & Southern	29	16	55	30	22
Total	75,768	70,387	69,099	69,697	70,041

*Previous week's figure.

Note—Previous year's figures revised.

Weekly Statistics Of Paperboard Industry

We give herewith latest figures received by us from the National Paperboard Association, Chicago, Ill., in relation to activity in the paperboard industry.

The members of this Association represent 83% of the total industry, and its program includes a statement each week from each member of the orders and production, and also a figure which indicates the activity of the mill based on the time operated. These figures are advanced to equal 100%, so that they represent the total industry.

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period 1944—Week Ended	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity Current	Percent of Activity Cumulative
May 6	186,666	158,534	628,495	98	95
May 13	144,921	150,435	620,728	95	95
May 20	140,287	157,370	602,062	97	95
May 27	138,501	155,105	582,090	96	95
June 3	170,421	152,461	599,322	93	95
June 10	144,384	157,794	584,083	96	95
June 17	147,689	154,137	577,721	95	95
June 24	130,510	156,338	549,830	96	95
July 1	152,954	155,170	544,454	95	95
July 8	145,317	98,235	586,379	60	94
July 15	145,775	147,478	586,103	91	94
July 22	157,041	152,402	590,263	94	94
July 29	139,743	157,720	570,626	96	94
August 5	195,161	160,568	604,299	96	94

Notes—Unfilled orders of the prior week, plus orders received, less production, do not necessarily equal the unfilled orders at the close. Compensation for delinquent reports, orders made for or filled from stock, and other items made necessary adjustments of unfilled orders.

WLB Orders Union Membership For Associated Press

Maintenance of union membership by news employees of the New York office of the Associated Press was ordered in a directive of the newspaper commission of the War Labor Board, received on Aug. 8 by the Associated Press and the American Newspaper Guild, said the New York "Sun" of that date, which also had the following to say:

The standard maintenance clause was voted by Dr. F. S. Deibler, public member, and Sam Eubanks, labor member. Philip D. Adler, industry member, dissented. The A. P., which had opposed the union maintenance provision for news men, announced it would appeal.

A similar order was recently issued in a case involving the nationwide Guild contract with the United Press Associations.

The maintenance of membership clause provides that New York A. P. news employees who are members of the Guild in good standing on August 20 will be required as a condition of employment to maintain their good standing in the union for the duration of the contract. This takes into account the usual 15-day "escape period" during which, the commission specified, Guild members have the right to withdraw from membership, if they so desire, and non-members may remain non-members or may join or reaffiliate.

The order issued in the case of the United Press was referred to in our August 3 issue (page 514.)

Store Mgr. And Personnel Cancel Assn. Meetings

Because of the continued critical transportation situation and the repeated appeals of the Office of Defense Transportation to curtail civilian travel, the Store Management and Personnel Groups of the National Retail Dry Goods Association have cancelled plans for a joint mid-year meeting of the Groups the first week in September. The Association's advices stated:

This decision was reached after a ballot of the directors of two Groups, it was announced jointly by C. E. Eerkes of the Higbee Co., Cleveland, and by George A. Palmer, Jr., of the Joseph Horne Co., Pittsburgh, Chairman of the Store Management Group and Personnel Group, respectively. Originally, this meeting was scheduled for the middle of May in Cleveland, but was postponed to the September date after consultation with ODT officials. In its place, effort will be made to hold several regional meetings during September and October, appealing to local attendance only.

Lumber Movement—Week Ended Aug. 5, 1944

According to the National Lumber Manufacturers Association, lumber shipments of 503 mills reporting to the National Lumber Trade Barometer were 0.6% above production for the week ended Aug. 5, 1944. In the same week new orders of these mills were 5.5% below production. Unfilled order files of the reporting mills amounted to 109% of stocks. For reporting softwood mills, unfilled orders are equivalent to 38 days' production at the current rate, and gross stocks are equivalent to 33 days' production.

For the year-to-date, shipments of reporting identical mills exceeded production by 5.4%; orders by 7.4%.

Compared to the average corresponding week of 1935-39, production of reporting mills was 29.9% greater; shipments were 35.7% greater; and orders were 25.1% greater.

Items About Banks, Trust Companies

The Irving Trust Co. announced on Aug. 10 the promotion of Sidney W. Coe from Assistant Vice-President to Vice-President. A native of Middleport, O., Mr. Coe is a graduate of Harvard University. During World War I he served as an ensign in the Navy. Entering the Irving in 1932, he was made an Assistant Secretary in 1941 and an Assistant Vice-President in 1942. During the last six years he has been in the division which handles the company's business in the Middle West.

Election war ballots have been mailed by the National City Bank of New York and City Bank Farmers Trust Company to the 1,783 directors, officers and employees of the organization now serving in the military forces both in this country and overseas.

Fred Berry, Board Chairman of the Bronx County Trust Co. of New York, has announced the promotion of William Grosch to Assistant Vice-President. Mr. Grosch has been serving as Assistant Secretary and entered the employ of the institution as a messenger in 1904. Many of the branch offices have been established and managed by him, the latest being the Parkchester Office.

Andreas Stolt, Assistant Treasurer of the Colonial Trust Company's Kingsboro office, 5th Ave. and 69th St., Brooklyn, died on Aug. 7. He was 71 years of age. Mr. Stolt was born in Oslo, Norway, in 1872, and came to this country in 1901, but returned to his native land in 1916 to become Manager of the American department of the Central Bank of Norway. After returning to this country a year or so later Mr. Stolt became Manager of a private banking house later becoming associated with the Empire Trust Co. of New York City. He became Assistant Cashier of the Kingsboro Bank in 1929 and when that bank merged in 1940 with the Colonial Trust Co. he was appointed Assistant Treasurer of the Kingsboro branch.

On Aug. 9 four members of the staff of the Central Trust Co. of Rochester, N. Y., were promoted: Charles W. Marshall, Assistant Vice-President was made Vice-President; Roy W. Bogert was advanced from Chief Clerk to Assistant Secretary; Joseph M. Schoen from loan teller to Assistant Secretary, and Florian W. Derleth serving in the auditing department was made Assistant Auditor. Mr. Schoen joined the bank in 1926 while Mr. Marshall, Mr. Bogert and Mr. Derleth joined in 1925.

Henry Smith Thompson, investment broker, former associate of ex-President Hoover in raising Belgian relief funds and worldwide traveler with the Red Cross department of military relief after the last war, died at his home at Concord, Mass., on Aug. 6. Concord advices in the Boston "Herald" stated:

He became a partner in the Boston office of White, Weld & Co. in 1912, where he remained until 1916 when he became associated with the Committee on Public Safety of Massachusetts. In February of that year he joined Herbert Hoover in the Belgian war relief work.

During the war he joined the American Red Cross and his work in the department of military relief took him all over the United States, Central America, Hawaii and Siberia.

He became interested in the problems of Russian refugees in 1918 and was placed in charge of the relief work in the territory between Lake Baikal and the Ural Mountains, with headquarters at Omsk. On his return to the United States in 1919 he turned to land development in Colorado and New Mexico and later was president of a small railroad there. . . .

In 1923 he joined Coffin & Burr, investment bankers, in their Boston office and later H. C. Wainwright & Co. of Boston. He was a director at large of the Harvard Cooperative Society and succeeded to the presidency following the resignation of W. B. Munro in 1921. He still held that position at his death.

On Aug. 8, David J. Leach and Harold F. Woodcock were elected directors of the Morris Plan Bank of New Haven, Conn. Mr. Leach is Vice-President of N. T. Bushnell Company with which he has been connected for 27 years. According to the New Haven "Register" Mr. Woodcock is Executive Director of the New Haven Community Chest and New Haven Council of Social Agencies.

The stockholders of the Second National Bank of Philadelphia, Pa., have approved plans to increase the common stock from $500,000 to $1,000,000 through the sale of 50,000 additional shares. The Philadelphia Evening "Bulleton," in indicating this, said:

"When the new stock is subscribed and paid for the bank plans to retire $650,000 in preferred stock now held by the Reconstruction Finance Corp."

The Board of Directors of the Farmers Deposit National Bank of Pittsburgh announce the election on Aug. 10 of Arthur E. Braun as Chairman of the Board and John S. Smith as President. From the Pittsburgh "Post-Gazette" it is learned that Mr. Braun had for 25 years been President of the bank; Mr. Smith, who succeeds him in the Presidency had been Vice-President for 15 years. From the same paper we quote:

"Mr. Braun, as Chairman of the Board, will continue to take an active part in the management of the bank. In the quarter century that he served as President, capital, surplus and undivided profits increased from $9,056,000 to $19,557,000 and deposits from $51,225,000 to $142,879,000.

"Mr. Braun is President of the Pittsburgh Clearing House Association. He has been a leader in philanthropic and civic activities for many years.

"Mr. Smith, who succeeds to the Presidency, joined the bank in 1929 after service with the Chase National Bank, National Bank of Commerce and the New York Trust Company. He was a lieutenant in the Navy in the first World War. He is a Tennesseean and a graduate of the University of Tennessee. Mr. Smith will be the Eighth President of the Farmers Deposit National Bank.

President E. S. Patterson announces the addition of an estates planning division to the trust department of the First-Central Trust Company, Akron, O. It is under the direction of O. H. P. Baldwin, who was elected Vice-President. Mr. Baldwin was associated for 15 years with the National Shawmut Bank of Boston, where he was Assistant Cashier. He is a graduate of Harvard and of the Rutgers University Graduate School of Banking, where he specialized in trust work. The First Central Trust Company, which was organized 10 years ago, now has assets of $98,000,000.

President Nathan Adams of the First National Bank of Dallas. Texas, announced on Aug. 9 that R. P. Broyles, W. H. Leatherwood, W. M. Beavers and R. E. Quisenberry, all Assistant Cashiers of the bank, have been promoted to the position of Assistant Vice-President. All these men have been with this bank for many years, the Dallas "Times-Herald" reports.

After an absence of four years, Charles R. Ayers has returned to the Pacific National Bank of San Francisco, Cal., to become Assistant Trust Officer, it is learned from advices in the San Francisco "Chronicle" on Aug. 3. Mr. Ayers filled a similar position with the First National Trust & Savings Bank of Santa Barbara, Cal., during the four-year period.

It is learned from the San Francisco "Chronicle" of Aug. 5, that Claude J. Hirschey has been elected Assistant Cashier of the San Francisco Bank of San Francisco, Cal. In 1935, Mr. Hirschey became associated with the bank, and a year later was named Assistant Manager of its Burlingame Branch.

President Confers With Nimitz And MacArthur At Hawaii

A three-day military conference and tour of inspection at Pearl Harbor was concluded by President Roosevelt on July 29, it became known on Aug. 10 in delayed Associated Press advices from Honolulu, which reported the President as holding his first wartime across-the-table conference with the top strategists of the Pacific—Admiral Chester W. Nimitz and Gen. Douglas MacArthur—and talking with other commanders representing the full scope of the Pacific war from pole to pole. In these advices it was indicated that the President arrived at Pearl Harbor on July 26 from the Marine Corps base at San Diego, where he boarded a cruiser soon after his July 20 speech accepting the nomination for a fourth term. From the Honolulu advices (Associated Press) July 29 as given in the New York "Sun" we also quote:

"Later, Mr. Roosevelt told reporters that the meetings planned new offensives against the Japanese, and he reiterated America's Pacific war goals: To retake and free the Philippines and to drive Japan to unconditional surrender. He coupled with his conferences detailed visits to Pearl Harbor and other military installations, converted from the Japanese-wrought havoc of Dec. 7, 1941, into an island bristling with land, sea and air fighting power. He termed the conversion the most amazing change he ever had seen.

"Admiral Nimitz and Gen. MacArthur went aboard the President's ship to greet him.

"Just as in 1940 he campaigned by visiting war plants to prove to the nation that our economic status was sound; that industry was doing a marvelous job and soothing the industrialists who had long been under attack, he now tries to hurdle the domestic troubles by keeping the Japanese war to the fore as the all-out national concern.

"His Pearl Harbor trip served the President a double purpose, politically, whether or not so designed. It removed him from the political scene during the convention — at least theoretically—thereby making his fourth term draft seem the more real."

The broadcast, from a Pacific Coast Naval base, of President Roosevelt's fourth term nomination speech to the Democratic National Convention at Chicago on July 20, was noted in our July 27 issue, page 409. No further advices as to the President's whereabouts had been made public until the delayed (July 29) press accounts from Honolulu made available Aug. 10. Various informal talks by the President during his stay in Hawaii were contained in the delayed press accounts, the United Press noting that he spoke to thousands of Navy Yard workers on one occasion and on others to only two or three wounded men in a hospital. The available texts of seven of the talks of the President to the larger groups as reported by the United Press, follow, as they appeared in the New York "Times":

To a luncheon at the officers' club and mess, Schofield Barracks July 27:

I am always worried when I have to make a speech. I am not here for that purpose. But I do want to tell you all about one experience of my life. Ten years ago today I was out here taking a review. Here there has been the most amazing change in one place I have ever seen. I remember that review very well. There were some first World War tanks in it. I think that of the 12 that took part, seven broke down before they could get past. Some difference in 10 years! Half the trucks broke down before they could get across. And the aircraft at Schofield—not more than 15 or 20 — three-fourths of them got past, but whether they got back safely on the earth I don't know.

At that time Hawaii was one of our major outposts—the outpost. We weren't allowed to fortify Guam. Today it is no longer an outpost. It is one of our rear areas, in one sense of the word. From here we are conducting a campaign, one more advanced than any other campaign of the past, largely because of the good work you are doing here at this advance base.

I am awfully glad I came back here to see it with my own eyes 10 years to the day after. I wish we could stay here—see more. It is being felt all through this area—all the way down to General MacArthur's area * * * is coming a little closer toward us, and automatically closer toward the enemy than it was two years ago. It is good to see the three services together, because I think this morning I have seen not only the Marine Corps air, but the Navy air and the Army air working so closely together in all their component parts. I wish everybody back home could see and understand a little more of what's going on out here. It has been good to see you.

To the Seventh Division

To the officers and men of the Seventh Division at their review, July 27:

Officers and Men of the Seventh Division: Your Commander in Chief brings you greetings from your own families, your own homes, to you here at this spot which, thank God, is still a part of the United States. I have heard much of what the Seventh Division has done. We are all proud of the Seventh, of what it has done and what it is doing. And that is another reason why I wish you all the good luck in the world.

To a Construction Battalion

To a construction battalion of the Navy at its base:

Boys, I just want to say howdy do. This is the first bunch of Seabees that I have inspected or looked at overseas. I think you are known on every ocean and every continent — all over the world. The Seabees have come forward as an institution more quickly than any one I know of in the whole of our history, and all of us back home and out at the front are mighty proud of you. It is good to see you.

To Fleet Marines

To Fleet Marines at their receiving station:

I'm glad to have this chance to see another bunch of marines. You know it isn't generally known, but about 30 years ago, or a little more, I was in charge of the United States Marine Corps. It wasn't under the Secretary in those days. It was under the Assistant Secretary of the Navy. So that I got to know your ancestors very well, and I follow what the marines are doing in this war with a tremendous lot of interest. I am very, very proud of you. It has been good to see you.

To submarine crews at their rest center in the Royal Hawaiian Hotel on Waikiki:

I just want to say a word of greeting to all of you people, a word from back home. You submarine officers and men of the Pacific, I think by now the people back home realize all the submarine service has accomplished. I think they understand not only the purpose but its accomplishments.

We are getting excellent reports from all over the world of what you are doing to help win the war. I was here 10 years ago—lived right here in these quarters on the top floor. I hope you will be just as comfortable and happy here as I was, because you deserve it a lot more.

To Hospital Staff and Patients

To the staff and some of the patients of Aeia Naval Hospital, July 29:

I was quite familiar with this hospital on paper. Dr. McIntire (Vice Admiral Ross T. McIntire, the Navy Surgeon General) and I have been spending a long time on preparation of the plans. Looking at it now, there are thousands of people in Washington who would come up here and take the places of these boys from Saipan, or any other place.

It is good to see you, good to know of the excellent service you have been doing in bringing people who have been wounded and sick back to full health again. The whole country is very, very proud of you. I was glad to see you.

To Civilian Workers

To workers, most of them civilians, assembled in front of the Pearl Harbor Navy Yard Administration Building, July 29:

I'm glad to be back again—10 years, and I hope it won't be 10 years before I come back for the third time. We are awfully proud back in Washington and in the rest of the country of what's been done here. I particularly am impressed by the element of speed. We are going just about twice as fast today as ever before and we are going to make it even faster.

Today we've got without question the largest and best equipped Navy in the world, and that is something to be proud of. I am now a part of the Pearl Harbor Navy Yard. I've just been given membership in the Georgia State Club. And that's something to be proud of, too. Good to see you.

Before boarding a cruiser for Honolulu, the President spent three days at San Diego, said advices (Associated Press) from that city Aug. 10, which also stated that he left for Pearl Harbor the day after delivering his nomination speech from aboard a train at the United States Marine Corps base at San Diego. It was further stated:

"The President's special train arrived at the base the morning of July 19.

"On the evening of July 19 the Chief Executive had dinner at the Coronado home of Rear Admiral Ralph O. Davis, Commander of the Pacific Amphibious Command, and then returned to his train by ferry.

"The next morning—the day of his acceptance speech—the President was driven to Camp Pendleton, the nation's largest Marine establishment, to witness a full-scale amphibious landing by an entire leather-neck division. Returning to his train shortly after noon, the President rested prior to delivering his speech."